

# **MALAWI AGRICULTURAL POLICY AND PLANNING ASSESSMENT**

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The views held in this report are those of the author and do not necessarily reflect those of USAID, EPSU, APRU, the MOAI or Bunda College of Agriculture.

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## EXECUTIVE SUMMARY

1. Malawi's high agricultural growth rates during the 1970s/80s, while receiving widespread international praise, favoured the minority estate sector at the expense of some two million smallholder farm families and tenant labourers.
2. In an attempt to redress this situation and improve the living standards of the majority of Malawians, the Government of Malawi (GOM) began in 1991 to implement economy-wide policy reforms to improve the agricultural policy environment and correct other macro-economic imbalances.
3. In agriculture, special emphasis has been on regulations and policies having a negative impact on smallholder participation in the national economy and in the privatisation of government functions within the sector.
4. Among others, USAID-Malawi has been a major supporter of these Government initiatives through its US\$80 million Agricultural Sector Assistance Program, US\$55 million being channelled as Non-Project Assistance (NPA) and the remainder through project assistance (PA).
5. The Mission believes the implementation of these key reforms to be the ultimate challenge and reward if the agricultural sector is to perform to expectation. In light of this point, from the ASAP PA component, USAID has been supporting policy formulation through the Agricultural Policy Research Unit (APRU) at Bunda College and policy issues identification and implementation through the Economic Policy Support Unit (EPSU) in the Ministry of Agriculture and Irrigation (MOAI). Both activities, which started in 1993 and 1995, respectively, are scheduled to end in September 1998.
6. USAID-Malawi thus commissioned this Assessment to review these activities being implemented by Lincoln University and Bunda College and Abt Associates in collaboration with the Ministry of Agriculture and Irrigation to gain a better insight into the best way forward. The review was conducted during the period 25 February through 18 March, 1998
7. Specific objectives of the Assessment were to: (i) assess the contribution APRU and EPSU have made to the policy agenda supported by USAID to date, making specific note of what has worked, what hasn't and areas of potential improvement; (ii) identify opportunities for greater integration of policy research, formulation and implementation; (iii) evaluate the actual process of policy formation within the Government of Malawi and

how research results feed into the process; (iv) advise on how linkages between policy research and policy design and implementation might be strengthened; and

- (v) provide specific recommendation on how APRU can be restructured to accomplish its goals and objectives more efficiently and achieve sustainability.
8. Findings and recommendations contained in this report are largely based on intensive consultations with the Government of Malawi, the donor community, APRU and EPSU staff, the Bunda College of Agriculture, other USAID projects and the private sector. This report records six key findings.
  9. First, the ASAP policy agenda has been very successful and EPSU has played a central role in its success. Key areas of EPSU's impact have been: (i) the complete elimination of the smallholder burley tobacco production quota which has created opportunities for broad-based income growth and development (ii) liberalisation of producer and consumer prices of all crops (except maize) by October 1997 and the breaking of ADMARC monopoly in agricultural input procurement and produce marketing; (ii) complete elimination of all direct and indirect fertiliser subsidies by August 1995 effectively eliminating market distortions that suppressed both private sector involvement in fertiliser distribution and efficiency in input use; (iii) the amendment of the Seed Act in 1996 to liberalise seed importation and allow competition to build up in the seed industry; (iv) the refinement of procedures for maize price stabilisation to facilitate transmission of correct market signals to producers and consumers; and (v) protection of these achievements.
  10. Second, it is noted, that the pace at which EPSU has been making an impact has almost stagnated lately as reforms in which there was less consensus were brought into closer focus. These included the privatisation of ADMARC and the sale of government productive assets. Outside of these the pace has remained fast and the impact wide.
  11. Third, APRU scored successes in some areas. For example, through its commissioned work, APRU has successfully conducted research, generated information and contributed to the on-going dialogue on key policy areas, including: (a) informal cross-border trade; (b) comparative advantage; (c) privatization of smallholder irrigation schemes; and (d) food security. Although APRU has not yet had a measurable impact on any specific policy *per se*, the Unit has now managed to arouse a lot of interest in its work among key policy actors in government including the privatisation commission and officials in Industry and Commerce, Finance and Agriculture and Irrigation ministries.
  12. Fourth, APRU's effectiveness was severely compromised in (a) the delivery of long-term policy research and analysis, (b) delivery of research and analyses with direct relevance and impact on policies; (c) systematic forging of appropriate linkages with decision-makers in order to have greater impact on policy; and (d) capacity building for the MOAI.

13. Fifth, four major constraints affected APRU's ability to satisfactorily fulfill its mandate. These included *human capacity* and *financial constraints* at both APRU and Bunda College, and *operational efficiency* constraints emanating from APRU's attachment to Bunda and those that emanated from the actual *top-down policy formation process* within the Government of Malawi.
14. Finally, USAID's original objectives in supporting the enhancement of policy identification, analysis and implementation capacity are still relevant. The capacity is still weak and is unlikely to develop overnight. Hence concerted efforts from all directions are required.
15. The report concludes by eight specific recommendations. First, EPSU should continue to maintain its presence in the MOAI. It will be necessary for EPSU to continue building the capacity of policy planners to effectively utilise policy research and analysis information in decision-making. Emphasis in the near future should, however, shift more to the generation, strategic packaging and dissemination of relevant information relevant to break the current impasse and revitalise the implementation of remaining reforms. However, the future role of EPSU will depend on the relative weights attached to advocacy and capacity building roles of the Unit.
16. Second, USAID's support to APRU should be continued but APRU should have greater autonomy. To circumvent the constraints imposed on APRU's effectiveness by the Unit's attachment to Bunda College or any other such body in the future, it is recommended that APRU be re-established as an autonomous unit (both financially and otherwise) but with an affiliation to Bunda College.
17. Third, a thorough search for a more sustainable financing mechanism for APRU is recommended. APRU cannot effectively carry out its mandate without sustainable financing and without financial autonomy. However, the unit is neither ready to 'stand on its own' financially; nor should it be expected to, given the 'public good' nature of some of its products/services. Hence as the Unit gets redesigned to allow greater independence, more careful thought should be given to the most efficient and sustainable way of financing APRU. Given the financial difficulties being encountered by the GOM, the option of financing APRU largely by a recurrent line budget as originally envisaged through Bunda should be the least preferred and, if possible, avoided. It is recommended therefore that possibilities of creating a mechanism of core funding (through an endowment or trust) be explored. The trust can be funded in part by donors and with a contribution from the GOM to ensure local ownership. The interest of Government and other donors to buy-in to this fund therefore has to be solicited. These key players



should be given the space/platform to participate actively at all stages in the process of re-engineering APRU.

The size of the trust fund and the modalities of its operation are critical variables that will determine sustainability of the research Unit. Hence it will be important to review past experience in Africa or beyond where similar financing arrangements and policy research units have been tried. It is recommended therefore that this Assessment be followed up by another phase (or exercise) to address these more specific details.

18. Fourth, APRU's original mandate was too broad and requires refinement. It is recommended that the new mandate be narrower, more specific and directly focused on the Unit's goal of impacting on policy formulation in Malawi. The Unit's new mandate will make the difference between establishing just another consultancy outfit or developing a centre of excellence that directly satisfies the policy research and analysis needs of Malawi. Later on, APRU's mandate can be broadened on a demand-driven basis if both financial and technical capabilities of the Unit permit and at the discretion of the unit's management. It is recommended, for example, that the Unit's non-research functions (e.g., teaching, training and information documentation) be streamlined at the beginning and let APRU perform them on a demand-driven basis. Given the shortage of policy research and analysis capacity in the country, capacity building should continue to be an important component of APRU's new mandate, but it is recommended that emphasis at least at the start be placed more on building internal capacity (within APRU staff). Building of external capacity (within MOAI, Bunda College, etc), although equally important, can be pursued on a demand-driven basis and not as part of APRU's core mandate, at least in the beginning.
19. Fifth, it is recommended that, consistent with the new mandate of APRU, the Unit's research agenda be recast. Most importantly, the approach that has so far been used by APRU to set its research agenda must be changed. First, tighter screening of commissioned projects is required to give top priority to those that impact on policies more directly. Second, APRU should create an environment that stimulates broad-based participation of stakeholders in the formulation of the research agenda.
20. Sixth, it is recommended that both technical and administrative oversight of APRU's operations be done by a new (and perhaps smaller) autonomous Board of Trustees or other such board which will effectively replace the two committees set up in the past. Board members must be from a wide cross-section of stakeholders (government, private sector, farmers, and perhaps donors on ex-officio basis) and must be high-profile individuals to ensure sufficient visibility of the Unit to those at the core of the decision-making process in Malawi. While the GOM and donors will be expected to fund the

Unit and provide every guidance necessary to see the Unit successfully take off, the responsibility to steer the rest of the Unit's operations must be vested in the board.

21. Seventh, it is further proposed that APRU's staff composition be modified and strengthened. It is recommended that the Unit recruits a small number (preferably 2-3 and maximum of four) of senior researchers with: (i) strong micro/household-level analytical skills; (ii) strong macro-/market-level analytical skills; (iii) an understanding of the policy making process; and (iv) demonstrated ability to sell APRU (i.e., communicate effectively with decision makers and other researchers). APRU's senior core staff must have a demonstrated ability to transform the Unit into a vibrant centre of excellence. They must have an immense ability to envision, think strategically, creatively carve out niches for the unit at every stage of the policy formation cycle (assessment, analysis and action), and maintain good public relations with all actors. APRU's senior staff must be dynamic and be able to maintain visibility in government if the Unit is to succeed in commanding a high-profile expected of an institution of its kind. It is recommended that, when modifying and strengthening staff, APRU should at least build upon its existing institutional memory.

22. Eighth, stronger and more formal linkages between APRU and other key actors in the policy research, formulation and implementation system are recommended to increase the current contribution of the Unit. It is further recommended that the option of establishing a policy steering committee be pursued vigorously, but only as a starting point.
  
23. Finally, in terms of greater integration of policy research, formulation and implementation (APRU and EPSU, specifically) it is recommended that, as mandates get re-specified, implications (especially the likely compromises) on APRU's autonomy and EPSU's advocacy role be analysed first before arriving on the best way forward. However, it is, in general, recommended that wherever possible, APRU's services be given priority. The same applies to other USAID projects such as the Smallholder Agribusiness Development Project. Yet, the overriding concern should continue to be in building APRU's reputation to the level where the Unit out-competes other service providers and demand for the Unit's services from such clients becomes stronger naturally.

**LIST OF ACRONYMS**

ADD	Agricultural Development Division
ADMARC	Agricultural Development and Marketing Corporation
APRU	Agricultural Policy Research Unit
ASAP	Agricultural Sector Assistance Project
CARD	Centre for Agricultural Research and Development
CDS/ISIS	Computerised Documentation System/Integrated Set of Information Systems
DANIDA	Danish International Development Agency
DFID	Department for International Development
EPSU	Economic Policy Support Unit
FEWS	Famine Early Warning System
GOM	Government of Malawi
IFPRI	International Food Policy Research Institute
MIC	Ministry of Industry and Commerce
MOAI	Ministry of Agriculture and Irrigation
MOF	Ministry of Finance
MSU	Michigan State University
NGOs	Non-Governmental Organisations
NPC	National Planning Commission
ODA	Overseas Development Agency
PAAD	Project Assistance Approval Document
Ph.D	Doctor of Philosophy
SADP	Smallholder Agribusiness Development Project
TCC	Tobacco Control Commission
USAID	United States Agency for International Development

## 1 INTRODUCTION

Malawi's high agricultural growth rates during the 1970s/80s, while receiving widespread international praise, favoured the minority estate sector at the expense of some two million smallholder farm families and tenant labourers. In an attempt to redress this situation and improve the living standards of the majority of Malawians, the Government of Malawi (GOM) began in 1991 to implement economy-wide policy reforms to improve the agricultural policy environment and correct other macro-economic imbalances. In agriculture, special emphasis has been on regulations and policies having a negative impact on smallholder participation in the national economy and in the privatisation of government functions within the sector.

From the beginning, USAID-Malawi has been a major supporter of these Government initiatives. USAID efforts initially focused on broader macro-economic issues of opening the door for smallholder entrance into production and marketing of high value export crops, especially burley tobacco, Malawi's most lucrative cash crop. Later, building on the significant success at macro-level, more attention was addressed to sectoral and micro-level issues of input and output market liberalisation, enhancing market competitiveness and institutional reform. Implementation of sectoral reforms, however, has been at a much slower pace in some areas and success of the USAID/GOM reform program will depend in large part on continued government commitment to key macro and micro-level policy issues.

USAID believes the implementation of these key policies to be the ultimate challenge and reward if the agricultural sector is to perform to expectation. In light of this point, the USAID Mission has been supporting policy formulation through the Agricultural Policy Research Unit (APRU) at Bunda College and policy issues identification and implementation through the Economic Policy Support Unit (EPSU) in the Ministry of Agriculture and Irrigation (MOAI). Both activities, which started in 1993 and 1995, respectively, are scheduled to end in September 1998. Yet it is believed that, given their potential and the experience gained so far, both activities can be of great importance to the future of agriculture in Malawi if managed correctly and perhaps in a more complementary fashion. It is against this background that USAID-Malawi commissioned this Assessment to review these activities being implemented by Lincoln University and Bunda College and Development Alternatives, Inc<sup>1</sup> in collaboration with the Ministry of Agriculture and Irrigation.

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<sup>1</sup> EPSU is contracted through the Agricultural Policy Analysis Project of which Abt Associates, Inc. is the prime contractor.

## 1.1 Objectives of Assessment

Specific objectives of the Assessment as outlined in the detailed Scope of Work (see Appendix 1) were to:

- (i) assess the effectiveness of the policy agenda supported by USAID; in particular the contributions of APRU and EPSU making specific note of what's worked, what hasn't, and how things can be made better;
- (ii) identify policy challenges that are remaining;
- (iii) examine opportunities for greater integration of policy research, formulation and implementation identifying structural and other appropriate changes that are needed to achieve this;
- (iv) evaluate the actual process of policy formulation within the GOM and how research results feed into the process;
- (v) advise on how linkages between policy research and policy design and implementation might be strengthened; placing emphasis on specific mechanisms that might work best (e.g. task force participation, improved feedback, etc); and
- (vi) in summary, answer the question of how “the system” of policy research, formulation and implementation can be improved to assure greatest efficiency and productivity – and specifically, how APRU can be restructured to accomplish its goals and objectives more efficiently and achieve sustainability.

## 1.2 Methodology

This Assessment was conducted during the period 25 February through 18 March, 1998. The review team, comprising of a consultant and a mission advisor, first met with mission agricultural staff to discuss an approach and a work schedule for the three weeks.

Subsequently, the team scheduled meetings and held discussions with APRU and EPSU staff as well as key players in government, the donor community, the private sector, at Bunda College and in other USAID projects. Specifically, discussions in government were held with senior officials in the planning unit of the Ministry of Agriculture and Irrigation, the long-term senior policy advisor in EPSU, and the head of the Tobacco Control Commission. Among the donor community, discussions were held with the Department for International Development (DFID, formerly ODA), the European Union, DANIDA, the World Bank and the Rockefeller Foundation.

At Bunda College, discussion meetings were held with the principal, the vice principal and the head of the Rural Development department, among others. At APRU, the Chief of Party from

Lincoln University, the unit's Programme Manager research fellows and other collaborators were interviewed to solicit their views while in the private sector, the discussions were made with the managing director of the Press Group, Malawi's largest conglomerate. Follow-up meetings were also held with USAID's Small Agribusiness Development Project. Finally, during the Assessment, the team complemented these interviews with a review of background literature consisting of USAID project documents, contract agreements, annual reports, commissioned study reports, and sector strategy reports, among others, to get more information on the two activities under review. Appendix 2 provides a detailed itinerary of the review team and gives a list of names of people and organisations consulted/interviewed during the Assessment. Preparation of this report was the prime responsibility of the consultant.

### **1.3 Structure of the Report**

The report is divided into six sections including this one. Section 2 assesses the effectiveness of the policy agenda supported by USAID to date and the contribution of APRU and EPSU towards this. Sections 3 and 4 evaluate the performance of APRU and EPSU, respectively, relative to their mandate. Section 5 examines opportunities for greater integration of policy research, formulation and implementation and identifies linkages that need to be developed to achieve this. The final section contains specific recommendations on the way forward.

## **2 USAID'S POLICY AGENDA AND PROGRAM**

### **2.1 USAID's Policy Agenda and Program**

USAID's support to GOM's agricultural reform initiatives began with the signing between the GOM and USAID of the US\$30 million first phase of the Agricultural Sector Assistance Program (ASAP) on 26 September, 1991. ASAP I comprised of US\$20 million in Non Project Assistance (NPA) (whose oversight is, in principle, the responsibility of the host country government) and US\$10 million in Project Assistance over three years. Building on the experience of the first three years, ASAP I was amended in September 1994 effectively extending the date of completion of the program by four years, from September 1994 to September 30, 1998; and increasing both NPA and PA funding by US\$35 million and US\$5 million to new totals of US\$55 million, and US\$15 million, respectively. Recently, an additional US\$10 million was added to the PA component effectively extending ASAP to the year 2000. The design of ASAP supplemented the World Bank's Agricultural Sector Adjustment Credit (ASAC) which had initiated 'pilot schemes' to enable, for the first time, smallholders to legally produce and market burley tobacco.

The goal of ASAP is to increase agricultural productivity, employment and incomes. Its purpose is to increase customary land holder access to agricultural inputs, output markets, cash crop production alternatives and labour market information. ASAP I policy agenda addressed four themes: equity in the agricultural sector; production and marketing of crops; efficiency of input delivery; and crop diversification. The intent has been to transform the Malawian economy into one in which all Malawians have equal access to private markets and productive resources, and that is free from biases against any category of farmer. Official policies and extensive regulations governing virtually all economic activity have historically been geared to controlling agriculture by favouring estate production. ASAP is thus directed towards restructuring the agricultural sector providing customary land smallholders and agricultural labourers with opportunities, mechanisms, and resources to participate fully in the country's sectoral growth and development.

The success of ASAP I and changes in the political environment led to the development of ASAP II. While ASAP I focused more at macro-level issues, ASAP II policy agenda focused more on sectoral issues of institutional reform and addressed two themes: increasing equity and efficiency through liberalizing input markets; and increasing equity and efficiency through expanding market competitiveness and institutional reform. ASAP II Conditions Precedent (CPs) and activities to address theme one aim at "removing constraints to private sector participation in input supply and distribution; developing and implementing a framework to eliminate restrictive input pricing policies; abolishing restrictions on participation of ethnic minorities in agricultural production and marketing activities; streamlining procedures for obtaining land and agri-business production purposes; and addressing constraints to the development of effective and affordable rural transport services". Those for theme two involve "elimination of ADMARC's exclusive role of



marketing agricultural products; improvements in consumer and producer prices through liberalisation; examining government-owned agricultural organisations for possible privatisation; and improving rural markets development".

## **2.2 The Strategy**

As already stated, ASAP objectives are to be achieved through a combination of NPA and project assistance designed to increase smallholder production and marketing of crops, improve the efficiency of agricultural input delivery, promote equity among smallholder farmers and estate labourers and tenants, and identify opportunities for, and constraints to, agricultural diversification. The original Project Assistance Approval Document (PAAD) underscored the importance of policy, institutional and regulatory reforms to the achievement of ASAP's goal and purpose. This reform package was incorporated into the program agreement with the GOM. The project component of ASAP therefore was incorporated into the overall ASAP design specifically to provide support for the reform package. The PA component includes:

- (i) support for policy formulation through the establishment of an agricultural policy research unit (APRU) at the Bunda College of Agriculture;
- (ii) support for policy identification and implementation through the establishment of an economic policy support unit (EPSU) in the Ministry of Agriculture and Irrigation and support for a variety of policy-related studies which investigate specific constraints to sustainable and more equitable growth in the country's agricultural sector;
- (iii) support for agro-forestry extension and food security monitoring activities, including: the strengthening of famine early warning system (FEWS); development of reliable crop production estimation methodology; improving timeliness in collection and dissemination of market information; development of a food security safety net; and strengthening technology development and transfer;
- (iv) the establishment of an environmental monitoring program to monitor the environmental effects of increased agricultural production and structural change; and
- (v) support for smallholder organisation development through smallholder agribusiness development and development of rural savings and credit cooperatives.

## **2.3 Accomplishments and Impact**

In March 1993 a mid-term evaluation of ASAP was conducted by a five member team of REDSO/ESA officers and private consultants. A major conclusion of the evaluation was that "*ASAP has already begun to contribute in a measurable way to the achievement of the purpose and goal set out in the PAAD*". Indeed, the most visible positive impact has been in the tobacco sector where ASAP I reforms opened the door of smallholder entrance into production of cash crops, especially burley tobacco, Malawi's premier crop. Prior to 1990, burley tobacco could only be grown and sold on the auction floors by estates holding government- issued production

quotas. One year into ASAP I (by 1992) the smallholder sector produced and sold a million kilograms on the auction floors far above the ASAP I target of 10,000 kgs. By the year of the evaluation (1993), 29,000 smallholders (12.5% of which were female headed) were participating in the program and 5.8 million kilograms were sold - again far in excess of the ASAP I target of 50,000 kgs. Further liberalisation and specific support given for smallholder farmer organisation and agribusiness development permitted more than 104,000 smallholder producers grouped into 5,000 clubs to produce and sell directly on the auction floor by 1995. The numbers have continued to grow. At the time of this Assessment, the number of smallholder households engaged in burley production was estimated to have grown to between 160,000 and 200,000 and their output and marketings through the auction floor had risen dramatically from virtually zero in 1990 to over 16.8 million kilograms (or 12.5% of national sales) in 1997 at an average price of US\$1.54 per kilogram, one cent above the national average price.

Through the activities of the Smallholder Agricultural Development Project funded under ASAP, smallholder farmers are enjoying other benefits as well, including:

- (i) expanded access to formal credit;
- (ii) timely delivery of crop;
- (iii) economies of scale in input procurement and product marketing; and
- (iv) improved access to market information for other cash crops (e.g., chilies and paprika).

In summary, the ASAP program has been a major success and key landmarks showing the success of the program consist of the following:

- complete elimination of the smallholder burley tobacco production quota which has created opportunities for broad-based income growth and development;
- liberalisation of producer and consumer prices of all crops (except maize) by October 1997 and the breaking of ADMARC monopoly in agricultural input procurement and produce marketing thereby eliminating rent-seeking behaviour and opening up the door for entry of private traders into the business;
- complete elimination of all direct and indirect fertiliser subsidies by August 1995 effectively eliminating market distortions that suppressed both private sector involvement in fertiliser distribution and efficiency in input use;
- the amendment of the Seed Act in 1996 to liberalise seed importation and allow competition to build up in the seed industry; and
- the refinement of procedures for maize price stabilisation to facilitate transmission of correct market signals to producers and consumers.

Central to these achievements was the key contribution made by ASAP's specific support to the establishment of an economic policy unit in the MOAI planning division which supplemented the GOM's policy identification capacity and protected some of these achievements. Credit also goes to USAID/Malawi who initiated the reforms at the beginning, gave them the impetus necessary for laying a solid foundation for policy changes in Malawi today and facilitated the success of EPSU's activities.

## 2.4 Policy Issues Remaining on USAID's Agenda

While the first phase of ASAP was implemented at a fairly fast pace, the pace of some elements of ASAP II has been much slower and almost approaching stagnation. The fast pace of ASAP I is widely believed to have resulted from greater consensus among the key policy actors (mainly government and donors) on the pace, timing and sequencing of specific elements of reforms contained in that first phase. However, while considerable ground was covered under ASAP I and its success encouraged government to press on, there are specific elements under ASAP II in which the GOM has exercised extreme caution and, therefore, made no further progress for a number of reasons. The most important areas include:

- (i) privatisation (or commercialisation) of ADMARC;
- (ii) elimination or widening of the maize price band; and
- (iii) privatisation of government productive assets (e.g., crop authorities).

As for the possible reasons for the stagnation, four were identified during this Assessment. They are:

- (i) a lack of consensus among policymakers and donors on the best way forward (pace of reforms, degree of reforms, sequencing, etc) especially when it comes to staple food marketing and pricing;
- (ii) political considerations as the country approaches the next general election;
- (iii) vested interests of key actors (ADMARC, government, farmers, etc); and
- (iv) a general lack of detailed micro-level analyses to show the financial and social implications of each of the different policy alternatives under consideration and those implemented thus far (e.g., impact of reforms on equity, rural incomes, food security, nutrition, *inter alia*).

## 2.5 Broad Policy Challenges Ahead

The challenges ahead for ASAP II are many. These challenges stem from a combination of factors ranging from the uncertainty concerning the nature, extent and distribution of both positive and negative impacts of reforms so far among the diverse Malawian population to the identification of new approaches for stimulating productivity, employment and income growth. The challenges relate specifically to issues of food security and sustainable development, stimulating employment, income growth and equity, market development, the role of the public sector in a market economy

*Food security, poverty and sustainable development.* Increasing the productivity of the food crop sector is key to realizing the full gains from liberalization (key to increases in real incomes). Proponents of crop diversification in favour of high-value non-food crops (e.g., tobacco, cotton, etc) often assume that multiplier effects will lead to increased productivity in the food crop sector as higher incomes stimulate greater effective demand for food crops. In reality, however, in a country where land is scarce and more than half of the farming population are poor net food

purchasers, increased diversification might in the short-term lead to the undesirable impact of lowering acreage and output for food crops resulting in higher food prices and a fall in real incomes among the net purchasers. The impact is greater if food markets are imperfect. The challenge is therefore in strengthening the food and non-food crop linkages and in developing markets such that multiplier effects indeed take place.

Another related challenge stems from the impact of devaluation and the elimination of fertiliser subsidies on input prices and productivity in the food sector. In the short-term, because input markets will still be imperfect, the elimination of subsidies and devaluation can have deleterious effects on technology adoption and sustainable farming practices. As input prices rise and become less affordable, farmers may decide not to adopt input intensive technology (e.g., hybrid seed), and resort to extensification to avoid compromising output. In a land scarce country like Malawi, extensification might mean cultivation of fragile environments, further locking the farmers into a vicious cycle of low productivity.

*Growth and equity.* The level of growth required to alleviate poverty in an economy with income inequality as pronounced as Malawi's are probably higher than can be achieved by macro-economic and structural adjustments in the short-term. The challenge will be in ensuring that such growth rates are attained to ensure broad-based participation of the Malawian population in that growth.

*Market development.* The rationale for reducing the role of the state in the economy is premised on the conventional wisdom that the private sector is more efficient and big enough to takeover all functions being left by the state. However, in an economy controlled by a few private sector players like Malawi, the question of the pace of reform becomes critical, otherwise it will be a question of replacing one inefficient system with another as experience has shown in other countries. The challenge for ASAP is in ensuring that the private sector actually responds, fills the void left by the withdrawing public sector, and becomes more efficient than its "predecessor", and more importantly, that these developments are monitored, documented and published widely.

*The new role of the state.* While withdrawing the role of the state in the economy is desirable for more efficient allocation of resources to take place, redefining the role of the state is not easy especially where information asymmetry is pronounced. The questions which pose challenges in making further progress on the ASAP II agenda (and in relation to ADMARC and other issues, in particular) are:

- (i) What can the private sector do, and what can it not do, within different time spans?
- (ii) What is the most appropriate timing and pace of state withdrawal?
- (iii) What other societal goals are at stake; and hence what social roles should the state continue to play and how can it do so more efficiently?
- (iv) How can consensus be reached among the key actors for the state to withdraw?

*Stimulating productivity, employment and income growth.* Even discounting for the impact of reforms, Malawi's economy has to grow more than its historical average in order to absorb the rapidly growing labour force and improve income and food security. In agriculture, for example, utilisation of productivity enhancing inputs and technologies has been very low even prior to the reforms. A key intensifying input such as fertiliser was only sparsely used, with less than 25% of smallholder farmers using the input on a consistent basis.

The pivotal role of productivity growth in Malawi cannot be overemphasized given the extremely low average land holding statistics and the high rates of population, unemployment and poverty growth. Comparisons between economic performance of sub-Sahara Africa countries and other regions of developing countries (Asia and Latin America) confirm the importance of productivity growth in overall economic growth. Productivity gains are urgently needed to foster rapid agriculture-led economic growth and curb food insecurity in Malawi. Reforms alone are unlikely to yield these productivity gains in the short-term. The challenge therefore lies in designing a package of reform and "non-reform" policy interventions that are mutually re-enforcing. A considerable challenge will be in developing a menu of appropriate zone- or subsector-specific interventions that are responsive to factors most limiting productivity growth and simultaneously addressing the need to reverse the degradation of the productive base.

Yet broad-based income growth will only take place if productivity growth is multi-sectoral (i.e., if cross-sectoral linkages are strong). Another challenge therefore will be in strengthening agricultural and non-agricultural income linkages and creating an economic environment that provides enough incentives for rapid investment and employment creation in the non-agricultural sectors.

## **2.6 What Kind of Policy Research, Design, Implementation System is Needed to Respond to These Challenges?**

For Malawi to successfully respond to the above challenges, its policy research, design and implementation system must have 3 critical elements. These include: (i) a solid policy research and analysis capacity; (ii) an enabling policy formation environment; and (iii) strong advocacy capacity of civic society.

A strong policy research capacity is needed to deliver credible research and must have the following qualities:

- *value-free*: autonomous, the role must be research and not advocacy;
- *highly skilled*: able to deliver credible work and develop good institutional reputation;
- *flexible and dynamic*: able to respond quickly to various information needs;
- *proactive*: outward looking, forging strategic linkages with policymakers inside and outside government; and

- sustainable: endowed with sufficient resources to be able to invest substantially in long-term research and policy analysis for long term strategic planning and policy monitoring.

Good policy analysis alone without an enabling policy formation environment will not achieve much. The policy formation process should be such that policymakers in government intensively utilise the information generated. The process must be one that encourages participation of stakeholders and actively solicits their input into policy decisions that affect them. Research will not have a role if policy formation is driven by politics alone and does not make intensive use of information/analyses generated by policy research.

Without a strong demand for the information, a strong policy analysis capacity will not make a difference on its own. While utilisation of information by government will create the much needed demand for information, stronger demand for information will exist if civic society is well organised and strong to influence the decision-making process. Demand is stimulated as interest groups gather information to strengthen their unified voice and garner popular support for it. At the same time, as interest group pressure builds and becomes more broad-based, the

incentives for policymakers in government to intensively utilise information from policy research institutions grows in the quest for policies that maximise society's welfare.

Various components of USAID's Agricultural Sector Assistance Program have been directed towards creating this system. The contribution they have made, constraints they have faced and lessons learnt will provide a sound base for making specific recommendations on the best way forward.

### **3 STRENGTHENING MALAWI'S POLICY RESEARCH CAPACITY THROUGH BUNDA AGRICULTURAL POLICY RESEARCH UNIT**

#### **3.1 USAID Objectives in Supporting Establishment of APRU**

To strengthen Malawi's policy research capacity and increase the contribution of research to policy formation, USAID provided support to establish, within Bunda College's framework of a Centre for Agricultural Research and Development (CARD), a credible agricultural and environment and natural resource policy research unit responsive to the needs of Malawi. USAID envisioned the research Unit as a "facility for cooperative research, consultancy, and outreach/training, in which the University of Malawi, Government and other cooperating parties and participants would be co-explorers in search of innovative policies and strategies geared towards the promotion and transformation of agriculture and rural development in Malawi".

Two forms of support were provided: one directly through Bunda College to provide funding to cover the costs of Unit facility construction and operations, and a second through a U.S. institution or consortium to finance long- and short-term technical assistance, training, procurement of a limited range of commodities, exchange visits and other forms of professional collaboration necessary to help develop the institutional capacity to undertake credible research on agricultural policy issues at the Bunda College campus.

The Unit's mandate was laid out as follows:

- (i) to undertake research on behalf of Government, public, and private institutions, as well as individuals and the College;
- (ii) to provide a facility for the systematic collection, maintenance and dissemination of a wide range of agricultural policy-related data and information to meet the needs of a broader clientele than the research community served by the University libraries; and
- (iii) to conduct outreach and training activities as necessary to meet the needs of the College as well as those of the MOAI, donors, and other clients.

In addition, the Unit was expected to receive guidance from two advisory and management committees and would become financially sustainable (i.e., without further direct funding from USAID) by the end of a period of three-and-a-half years.

The Agreement between Bunda College of Agriculture and USAID was signed in March, 1993 and APRU started its operations in April 1994.

#### **3.2 Accomplishments of APRU**

A comparison of APRU's accomplishments with the stated mandate reveals that APRU has scored successes in some areas and failures in others. This section reviews some of the areas in which APRU has contributed to the strengthening of Malawi's policy analysis capacity.

*Research function.* The establishment of a functioning policy analysis machinery within APRU constitutes, on its own, a major area of success of the efforts of the Bunda College of Agriculture and USAID. A second major area of success has been in the ability of APRU to attract the interest of government, donors and various NGOs to commission research through the Unit. As a result of this commissioned work, APRU has successfully conducted research, generated information and contributed to the on-going dialogue on key policy areas, including: (a) informal cross-border trade; (b) comparative advantage; (c) privatization of smallholder irrigation schemes; and (d) food security. By the time this assessment was conducted, APRU had been involved in at least 23 projects (including on-going projects), approximately 10% of which were commissioned by the GOM, 30% by donors, another 50% by other international development agencies and the remainder by the private sector. Among the on-going projects was the one funded by USAID-Malawi in which the research Unit's terms of references are to design and implement a methodology for monitoring changes in agricultural incomes - an important element in the monitoring of achievements of USAID-Malawi's Strategic Objective Number 1. Although APRU has not yet had a measurable impact on any specific policy *per se*, the Unit has now managed to arouse a lot of interest in its work among key policy actors in government including the privatisation commission and officials in Industry and Commerce, Finance and Agriculture and Irrigation ministries.

*Information retrieval and documentation.* The Unit's Documentation section has succeeded in selecting and soliciting over 1,040 titles on agricultural policy-related topics from a wide range of sources in Zomba, Blantyre and Lilongwe. Interest in using the documentation has been growing rapidly as witnessed by the number of researchers, consultants, students, donors and government personnel that have used it as reference material to supplement their own libraries.

*Outreach and capacity building outside and within APRU.* Throughout the three years APRU has been in existence, the Unit has played a significant role in supplementing the otherwise severely strained teaching and research resources of the Department of Agriculture and Rural Development at Bunda College. The Unit has also been successful in some respects in building its own research and policy analysis capacity. For example, APRU's three research fellows (junior researchers) enhanced their agricultural policy analysis skills by attending a three-week IFPRI course on "Food, Agriculture, and Natural Resource Policy Analysis" conducted at the University of Maryland in October 1997. In the same year, one of APRU's research assistants also benefitted from a one-month attachment to the International Centre for Research in Agroforestry (ICRAF) in Nairobi while the Documentalist received training in Computerised Document System/Integrated Set of Information Systems (CDS/ISIS) software from Bunda College.



Finally, APRU's involvement in a wide variety of research projects and active participation at various seminars, workshops and conferences has developed not only the Unit's experience in research delivery but an institutional body of knowledge which can be used as a source of valuable input into future program designing.

### 3.3 Constraints and Opportunities for Increased Impact

Although APRU registered significant achievements during the three-and-a-half years it has been in operation, there are some important areas where it failed to perform to expectation because of a number of constraints. For example APRU's effectiveness was severely compromised in (a) the delivery of long-term policy research and analysis, (b) delivery of research and analyses with direct relevance and impact on policies; (c) systematic forging of appropriate linkages with decision-makers in order to have greater impact on policy; and (d) capacity building for the MOAI.

Major constraints that affected APRU's ability to satisfactorily fulfill its mandate in these areas included *human capacity* and *financial constraints* at both APRU and Bunda College, and *operational efficiency* constraints emanating from APRU's attachment to Bunda and those that emanated from the actual *policy formation process* within the Government of Malawi.

*Human capacity constraints.* In the Agreement between USAID and the Bunda College of Agriculture, upon expiry of the period of USAID's operational budget support to the Unit, APRU is expected to continue with the operational budget support from the Bunda College of Agriculture. Hence, right from the outset, salaries of APRU staff were pegged to the University salary scale in order for the latter to successfully takeover APRU's salaries budget when USAID's support comes to an end. However, from the day the Unit first opened its doors up to the time of this Assessment, University remuneration packages were not competitive enough to attract the two Senior Research Fellows (i.e., with Ph.D training) needed to fill the vacant senior posts, deliver the desired research and analyses and transform the Unit into the perfect model envisioned at project inception. As a result, APRU has been unable to attract the much needed expertise in macro- and micro-economic policy analysis and quantitative techniques which put a severe strain on the capabilities of the limited number of senior level staff (Programme Manager and Chief of Party).

The requirement that APRU supplements the teaching and research capacity of the Rural Development department of the College exacerbated the situation. Given the already limited number of senior staff in APRU, stiff competition for senior staff time between developing linkages with key policy actors, soliciting funds for research activities, APRU administration, teaching, supervision of research fellows, and doing own research lead to compromises on all sides. Recognising the need to ensure sustainability and the role APRU can play in supplementing the resources of the College, these requirements were well conceived. However, reality has not matched expectations and the performance of APRU under these conditions provides sound basis for revisiting some of these arrangements.

*Financial constraints.* The requirement that APRU continues to operate with support from the University of Malawi was a mechanism to ensure financial sustainability of APRU beyond the period of donor funding. Over the years, however, the University of Malawi has been

experiencing severe budgetary constraints which have been partly due to general fiscal austerity measures put in place by the GOM in pursuit of sound macro-economic management.

These constraints have not only affected the effectiveness of APRU, but of the University of Malawi as a whole. During this assessment, there was a general lack of optimism regarding the future outlook of the university's financial status. In view of this, a draft management review report prepared by the Malawian Institute of Management had, among its major recommendations, the re-organisation of the University and scaling down of staff. This strongly suggests the need to examine other options of financing APRU on a sustainable basis.

In examining alternative sources of financing, the tension between financial sustainability and delivery of public goods (long-term policy research for strategic planning purposes and information documentation) also needs to be resolved, otherwise APRU will continue to devote its efforts to commissioned short-term consultancies which may or may not impact on policy at all while negating its primary mandate of carrying out long- and short-term research and analyses that feed directly into the GOM's policy formation process.

Given the public good nature of policy research in general and more so in an environment characterised by an immense imbalance in advocacy capacity (and hence no real incentive to invest in policy research and information generation, on the part of the weak interest groups or to utilise research information, on the part of the strongest), there is a case for public financing of this activity. However, given the financial constraints faced by the GOM as of now, donors might be interested to co-finance APRU and perhaps drawing from the experience, if any, they have had in financing other policy research centres in other countries. Own contribution by the GOM, no matter what size, soliciting broad-based input into the formulation of APRU's research agenda, institutional affiliation to Bunda, linkages with other key actors in policy formation and implementation will be key to ensuring not only local ownership but effective utilisation of the research and policy analysis products as well.

*Operational efficiency constraints.* Lack of autonomy in financial management and own staff to handle financial matters added administrative responsibilities to APRU's senior staff which compromised their input into technical work and the operational efficiency of the Unit as a whole.

*Policy formation process within the GOM.* As shall be discussed in detail in Section 5 of this report, GOM's largely top-down approach to policy formation coupled with a pronounced imbalance of interest group pressure appears to have effectively suppressed effective demand for, and utilisation of policy research and analysis thereby undermining APRU's potential impact on policies.

## **4. STRENGTHENING MALAWI'S POLICY PLANNING CAPACITY THROUGH THE ECONOMIC POLICY SUPPORT UNIT**

### **4.1 USAID's Objectives**

The Economic Policy Support Unit (EPSU) began in April 1995 as a USAID/Malawi buy-in to the Agricultural Policy Analysis Project. USAID's assistance in establishing the Economic Policy Support Unit in the Ministry of Agriculture and Irrigation was in general intended to supplement and strengthen the institutional capacity of the GOM to deal with agricultural policy issues and policy implementation through long- and short-term technical assistance and consultancies. Specifically, EPSU was envisioned as a Unit that would, in addition, provide specific support to the implementation of USAID's policy reform agenda. The long- and short-term technical assistance was targeted in three areas:

- (i) implementation of policy actions contained in ASAP policy tranches;
- (ii) design and implementation of associated policy actions related to agricultural sector liberalisation; and
- (iii) general advice to GOM in economic and agricultural policy.

### **4.2 EPSU's Accomplishments**

EPSU has been successful in generating information and advising GOM on the efficacy of policy actions contained in ASAP policy tranches 5, 6 and 7. Although conditions for the disbursement of tranches 6 and 7 have not yet been satisfied in full, already there are key landmarks in EPSU's success, including:

- (i) the elimination of all direct and indirect fertiliser subsidies by August 1995 and subsequent advice against their re-introduction;
- (ii) the amendment of the Seed Act in 1996 to liberalise seed importation;
- (iii) the liberalisation of producer and consumer prices of all crops (except maize) by October 1997;
- (iv) the refinement of procedures for maize price stabilisation; and
- (v) the progress made so far in privatization.

### **4.3 Constraints and Opportunities**

While meeting conditionalities under the first five Tranches of ASAP was relatively smoother, the pace at which progress is being made regarding Tranche 6 and 7 has slowed down considerably. EPSU's effectiveness with respect to Tranches 6 and 7 appears to be constrained by the following four major factors:

- (i) a lack of consensus among policymakers and donors on the best way forward (pace of reforms, degree of reforms, sequencing, etc) especially when it comes to staple food marketing and pricing;
- (ii) political considerations as the country approaches the next general election;
- (iii) vested interests of key actors (ADMARC, government, farmers, etc); and
- (iv) a general lack of detailed micro-level analyses to show the financial and social implications of each of the different policy alternatives under consideration and those implemented thus far.

Opportunities for breaking the current impasse and improving EPSU's effectiveness exist. Firstly, opportunities exist in additional investments into information generation and dissemination focusing more at the micro-level impacts. Second, EPSU can have a greater impact if coordination of donor efforts improves. Finally, positive impacts of reforms implemented so far will continue to be a source of motivation for the GOM. It will be necessary for EPSU to continue building the capacity of policy planners to effectively utilise policy research and analysis information in decision-making.

## **5 ACHIEVING GREATER INTEGRATION OF POLICY RESEARCH, FORMULATION AND IMPLEMENTATION IN MALAWI: CONSTRAINTS AND OPPORTUNITIES**

An integrated policy research, formulation and implementation system is paramount to the generation of efficient policies in Malawi. While opportunities for greater integration of this system are equally determined by the *strength of the research delivery system itself* and the *institutional capacity to plan and implement* policies, it is usually the *approach to policy formation* that a government adopts that matters most. Sections 3 and 4 assessed the first two in detail. This Section will assess the nature of the policy formation process within the GOM, the constraints it imposes on the country's policy research, formulation and implementation system and what can be done to strengthen it in the future. In doing so, this Section also pays particular attention to potential mechanisms and linkages necessary for achieving greater involvement of APRU and the MOAI in the whole process.

### **5.1 The Policy Formation Approach**

The process of policy formation within the Government of Malawi has been undergoing some noticeable positive evolution in recent years. Present day agricultural policy formation, however, still mirrors principles of the conventional "top-down" approach in which government and some donors are the key players in the articulation of stakeholder concerns and in designing appropriate policy solutions. Other stakeholders (such as farmers, quasi-government institutions, NGO's and the private sector) are generally left out either because of their weak voices or the futility of doing so in the presence of a strong imbalance in interest group pressure (donors versus government and other stakeholders).

Typical of central planning in the Government of Malawi is the proliferation of central planning units within line ministries (including MOAI) and firm plans to see them continue to expand or strengthened in the near future. While these units still have a role to play in a market economy - policy analysis, monitoring and evaluation, data collection and dissemination, project preparation, and budgeting - participation of key stakeholders in most of these activities which form the three stages of the policy formation cycle (i.e., *assessment*, *analysis* and *action*) is generally low or absent. A significant proportion of the donor community also maintains fairly high level advisory positions with some of them having committed substantial resources to advocacy in support of their relatively fixed agendas - some to which government has in principle already committed itself. Absence of a strong civic society appears to create an environment in which the *status quo* goes unchallenged. Smallholder farmer voice, for example, is particularly weak and current empowerment efforts to strengthen advocacy capacity of this interest group through organised activity are only expected to yield modest results in the short-term. Quasi-government bodies such as parastatals (with the exception of a few) are generally regarded as part of

government and central planning units make decisions on their behalf while other private sector interests (perhaps with the exception of a few in the tobacco industry) are

either too fragmented or too small to have a voice strong enough to transform government's policy formation approach into one that permits broader participation of interest groups.

## 5.2 Constraints Imposed on the System

The conventional approach to policy formation in Malawi would lead to efficient policies (those that follow the least cost path) if the two key players (government and some donors) were neutral policy makers acting on a mandate from society and had perfect information. In practice, however, neither of these two can be expected to be true value-free benevolent social planners nor can they be expected to possess perfect information about policy choices and the nature and distribution of their likely impact among the whole array of stakeholders. In particular, the complexity of both the economic environment and the decision-making process of smallholder farmers is often not fully understood.

What are the implications of this in terms of demand for policy research and opportunities for greater involvement of the Agricultural Policy Research Unit? Perhaps theory provides a valid starting point for drawing these linkages between policy formation and demand for policy research, and there are two theoretical points worth highlighting here. First, the demand for policy research is a derived demand emanating from the demand for information by policy makers who, in principle, consist not only of government but other stakeholders such as small and large scale (or estate) farmers, quasi- and non-governmental organisations, donors and other civic groups as well.

Second, whether or not there is effective demand for information (and the nature of information demanded) depends on both the nature of the policy formation process itself and the level of resources available to an interest group for expenditures on political activities (advocacy). As rational decision makers, interest groups are motivated to invest in research (i.e., gathering information) if perceived returns justify such action - that is, if it helps to get their voice heard (i.e., make it louder). Hence, a more participatory process, that affords a majority of stakeholders to express their will can be expected to stimulate a higher demand for information than the conventional top-down process which suppresses participation. In the former, demand for different types of information is stimulated as each interest group solicits solid information to develop or strengthen a unified position with the assurance that its position will be considered when policy decisions that are likely to affect it are being made.

Central planning within the Government of Malawi, donors' competitive edge in lobbying and the weak or general absence of organised civic activity can reinforce each other in depressing both the domestic demand for information and the derived demand for agricultural policy research thus narrowing opportunities for potential involvement of APRU. This scenario can also confine the potential sources of effective demand for agricultural policy research to government and donors.



While the GOM appreciates both its short and long-term information needs, priorities of the MOAI lie in quick short-term analyses that can generate information on policy alternatives or that can confirm the efficacy of those being proposed by the most powerful interest groups. On the other hand, although donors see the need for long term policy research and analyses, their priorities also appear to lie in short-term policy analysis that will meet their immediate advocacy needs and preferably using external expertise (or backup support from staff in headquarters already working on Malawi's agricultural policies on a longer term basis) to ensure consistency in policy orientation.

### **5.3 Opportunities for Greater Involvement of APRU**

What opportunities exist for greater involvement of APRU in policy formation? The currently weak effective demand for long-term agricultural policy research and analysis is not surprising. First, long-term policy research and analysis is a public good. Second, the need to prioritise Government expenditures tends to favour investments with immediate payoffs. Third, the demand for information has not been adequately focused neither has the research delivery system.

Opportunities exist for APRU to be involved to a greater extent in the policy formation process. The liberalisation of agricultural markets offers new opportunities for both short- and long-term policy research. Short-term research is needed to inform additional policy reforms that the Government is currently considering while longer term research will be required to systematically inform longer run strategic planning and, at the same time, monitor the economy's response to new market signals. For instance, on the one hand, short-term agricultural policy research may help inform further debate and decisions on, for instance, some of the most politically sensitive reform areas, including:

- privatisation of ADMARC;
- deregulation of maize pricing and marketing;
- sale/privatisation of government's productive assets (e.g., crop authorities); and
- further liberalisation of input marketing (fertiliser buffer stock, etc).

On the other hand, longer-term policy analysis may be geared towards monitoring market development, per capita incomes, food security and nutrition and consistently feed information into the policy formation process to refine and/or reaffirm policy decisions in the future.

### **5.4 Mechanisms for Achieving APRU's Greater Involvement**

APRU will have the capability of exploiting the above opportunities and maximise its contribution to policy formation in Malawi provided the following take place:

- APRU improves its senior staffing position and builds its credibility as a high level policy research and analysis institution;

- APRU has Management and an Administration that:
  - a. establishes and maintains a strategically-focused, continuously-evolving, stakeholder-driven research agenda;
  - b. designs a system of research and policy formulation based on highly scrutinized hypotheses, sound statistical methods, meticulous follow-through on data collection and processing, a thorough examination and interpretation of results, insightful presentations, and visionary recommendations;
  - c. motivates highly innovative research projects among the research staff;
  - d. creates and maintains a working environment that is highly-efficient, well-managed and well-supervised both at APRU and in the field, intellectually-stimulating (through seminars, video presentations, etc.), career-challenging and both collectively (as a team) and individually-rewarding; and
  - e. hires and fires research and support staff when necessary for the efficient and cost effective operation of the unit;
- APRU embarks on a proactive strategy of making its capabilities and services known by the key players in policy formation;
- APRU aggressively develops strong linkages with key government ministries and departments, including, MOAI, MIC, MOF, the NPC, the privatisation commission, the food security and/or nutrition steering committees to solicit their direct involvement in the setting of the unit's research agenda and ensure some degree of government ownership of the research process;
- deliberate efforts are made to sensitise government on the role of long-term policy research in longer-run strategic planning; and
- current efforts to strengthen indigenous advocacy capacity are stepped up.

Until recently, many of these efforts have been either non-existent or done almost on an *ad hoc* basis. Attempts to utilise expertise in the planning unit of the MOAI and further develop its capacity have been constrained sometimes by the thin staffing levels of the ministry at junior researcher levels. Although there are current plans to bring on board seventeen bachelor's degree agricultural economists, the staffing situation is likely not to change much because most of these are earmarked to fill vacant posts in Agricultural Development Divisions (ADDs).

## **5.5 Forging Strategic Linkages Between APRU and GOM**

APRU's effectiveness will depend on its ability to maintain a high level profile and a high degree of creativity in curving out strategic entry points into the GOM policy formation cycle. While there is no specific formula that will have an impact, the success of APRU's initiatives will depend by and large on the extent to which it will keep itself ahead of debates and developments on the agricultural policy formation front. The policy research unit can achieve this through any of the following proactive strategies:

*(i) creation of a Policy Research Steering Committee*

APRU/GOM could create a policy research steering committee that will become a formal conduit through which policy research priorities of government can be transmitted to APRU and research findings can be fed into the policy formation process. The steering committee should have a high level representation (e.g., at least positions of controller or head of planning unit) from key ministries such as Agriculture and Irrigation, Finance, Commerce and Industry, Health and Nutrition as well as key planning commissions or task forces like the Privatisation Commission and the National Planning Commission if it is going to be effective. Presence of the Ministry of Finance is necessary because any policy decision that government makes has direct or indirect budgetary implications. Representation of the privatisation commission is also important because of the wider representation of that commission which will allow APRU to keep abreast of developments in other sectors of the economy. In fact this might even have positive spill over effects by broadening APRU's clientele base.

The steering committee should have clear terms of references and explicit operational guidelines. The committee can hold regular but strategic meetings (monthly or as appropriate) to not only discuss information being generated in the research process but get feedback and an update on recent developments on the policy formation front as well. It will also be the responsibility of the committee or APRU to organise other strategic meetings (quarterly or as often as necessary) with donors and stakeholders to have their input into both the policy debate and the research agenda. The committee should be just but one of several strategies that APRU should use.

A major problem associated with steering committees relates to low attendance rates of key representatives at committee meetings or secondment of junior staff who are not in decision-making positions. Another problem relates to possible high staff-turnover in government. Strategies to effectively deal with these problems need to be developed if such a committee is to make a difference. One way to get them to participate might be to circulate among committee members short focused research proposals for feedback and ranking.

*(ii) reinforcing government ownership of the "APRU" concept*

The concept of having long term policy research - a public good - and an autonomous body to perform that function on government's behalf has yet to be sold sufficiently to the GOM. There is no doubt that a necessary first step would be for APRU to develop a strong reputation and favourable image in government. Soliciting greater involvement of Government in defining APRU's research agenda would be a necessary second. Yet, while the latter will help develop a sense of ownership, a giant step will have been accomplished if government becomes convinced to support APRU financially by an

annual budget channelled through a high level and directly relevant ministry such as Finance, Planning or Agriculture, or at the least, by buying APRU's time.

*(iii) broad-based and strategic dissemination of policy research information*

High-quality packaging and broad-based dissemination of policy research findings by APRU will be the key to not only the stimulation of broad-based effective demand for APRU's services but more importantly, the long-term empowerment of interest groups which is much needed to accelerate the transformation of the policy formation process in Malawi. However, in the short-term, strategic packaging and dissemination of the information at the highest level of policy formation should be the primary goal of APRU. For example, APRU with the coordination of the steering committee should organise appropriate fora to disseminate information to the committee of permanent secretaries or any other such high-profile committees (for example, donor committees).

*(iv) enhancing linkages between APRU, EPSU/MOAI, other clients and collaborators*

Opportunities for integrating APRU will depend on the relative weights attached by EPSU to advocacy and capacity building because of the implications these have on the extent to which APRU can remain autonomous with greater integration of the two. If APRU is to operate autonomously then opportunities for integrating the two increase as EPSU moves towards the latter. Since EPSU's role during the policy reform stagnation period is more likely to be the generation, packaging and dissemination of strategic information and building capacity for utilisation of research and policy analysis information in the MOAI (possibly with less emphasis on advocacy), EPSU can become an important client with whom APRU might want to strengthen linkages to solicit commissioned work or get input into the research agenda. Even though EPSU/MOAI will be just but one of APRU's several sources of commissioned research, given EPSU's strategic role in policy formation and implementation and its physical presence in the MOAI, there are benefits that can be derived by both units as linkages become stronger. Again, the extent to which linkages between APRU and EPSU/MOAI can be strengthened will depend on the reputation that APRU can build for itself and the confidence that EPSU/MOAI will have in the latter especially given that APRU will be just but one of several providers at the disposal of EPSU/MOAI. So far, the reputation APRU has built with the Department of Irrigation in the MOAI will provide a solid base for further improvement.

## **5.6 Promoting Broad-Based Participation in Policy Formation**

A change in the GOM policy formation approach will be necessary to give the above efforts a boost. A participatory approach to policy formation will create an environment that stimulates demand for information and provides the incentives required to promote closer collaboration between all key actors leading to stronger integration of policy research, formulation and implementation, better policies and maximisation of the welfare of Malawians. This can be complemented by efforts more directly targeted at building the voice of the weakest interest groups (e.g., smallholder farmers). Hence efforts by USAID, other donors and NGOs to better

organise smallholder farmers and strengthen smallholder farmer voice need to be continued and expanded.

## 6 RECOMMENDATIONS FOR THE WAY FORWARD

### 6.1 Reviewing USAID's Future Role

Overall, recognising the severe shortage of local capacity to do policy research and analysis, design and implementation in the country at program inception, and the immense need for such capacity to ensure a smooth and well informed transition from a centrally planned to an open-market economy, USAID's original objectives of supplementing and building that capacity by establishing both APRU and EPSU were well conceived and relevant to the needs of Malawi. Even at present, it is public knowledge in government, institutions of higher learning, the donor community and the private sector that local capacity to do credible policy research and analysis and to effectively integrate the research results into policy design and implementation is still lacking in the country. Agriculture is one area in which these marked shortages are felt. Several factors contribute to this, such as:

- (i) budgetary constraints faced by the university system which make it difficult for departments to attract or retain sufficient number of highly qualified staff;
- (ii) staff shortages which lead teaching and research to compete heavily for time with compromises on both sides in the university system;
- (iii) private sector run consultancy business which is still less developed than in other countries in the region;
- (iv) thin staffing and high turnover in central planning units within government; and
- (v) the generally low number of Malawian nationals with PhD training.

Current USAID initiatives to enhance this policy identification, analysis and implementation capacity in the country should therefore be continued and reinforced in the future.

More specifically, however, it is debatable whether USAID/GOM's expectations concerning the Agricultural Policy Research Unit were not slightly over ambitious and whether there is no need for reconsidering them in redesigning the APRU program. Firstly, from the project document, it would appear that the establishment of the Unit and provision of some of its services were not driven by the existence of an effective demand for them (expressed ability and willingness to pay for the products of the Unit) among policymakers in government or other stakeholders. The establishment of the Unit can be interpreted as having been based on *perceptions* of researchers (i.e., suppliers of the information) and donors as opposed to the *felt needs* of policy makers and interest groups (i.e., the information market) and, hence seemingly *imposed*. Indeed, it might be unrealistic to expect demand for information to occur in a more latent manner and the key role of a provider might be to get the demand focused and translated from incipient demand to effective demand. Even then, however, expecting the market for research information and the necessary linkages to have developed sufficiently to allow the Unit to satisfactorily achieve its mandate (i.e., to carryout policy research and analysis and have an impact on policy decisions) and successfully build a base for long-term financial sustainability in the short-term might have been a rather too high ambition. A higher level of achievement would certainly have been



expected if the establishment of the Unit had been a response to a consultative process in which policymakers and stakeholders (government, donors, farmers, agribusiness concerns and the general civic society) had expressed an *effective* demand for such information.

A counter-argument might be the public good nature of long-term policy research and information documentation and the inability of most of the above listed stakeholders who constitute the information market to pay for such services. Even then, the rationality of combining services of a public good nature (long-term policy research and information documentation) and private goods (short-term client research) in the mandate of the Unit while requiring the same to become financially sustainable is equally questionable. In short, perhaps USAID/GOM's may want to set more realistic targets for APRU as they redesign the Unit to maximise its effectiveness in the future.

Secondly, the unit's original mandate seemed too broad. The activities appeared to be too many, broadly defined, and inconsistent with the Unit's quest for financial sustainability.

In terms of EPSU, the ability of the Unit to successfully play an advocacy role in support of USAID's reform agenda while at the same time building the capacity of the ministry without partiality can be questionable especially if the latter is supposed to strengthen the ability of policy makers in government to a level where they can think more critically about all policy options on the table and be able to turn down some of them. The questions are: Is EPSU designed to build the capacity of the ministry without partiality? What are the relative weights of advocacy and capacity building in EPSU's mandate? What would happen if MOAI decided to take a different policy orientation from that supported by USAID and align itself with a more attractive policy option supported by other donors? Would EPSU be judged as a success or failure? The current lack of consensus among key policy actors and the stagnated pace at which government is making further progress with liberalisation in certain areas can provide some grounds for asking these questions. The relative weights attached to advocacy and capacity building will determine EPSU's future role and its form given the current impasse. If more weight is attached to advocacy, then the focus would be on generating more information and *strategically packaging* and disseminating it in a way that continues to sell USAID's reform agenda. If more weight is on capacity building, then EPSU's role might be to continue strengthening GOM's capacity to analyse all policies and options on the table without any particular inclination. If the role is capacity building, EPSU might even be willing to streamline or recast some aspects of USAID's reform agenda to align them more with government's felt needs, priorities and policy preferences. Either role, however, will require that EPSU at least continue to maintain its presence in the MOAI.

## **6.2 Specific Recommendations on the Way Forward**

The rationale for continuing and expanding USAID efforts to strengthen Malawi's policy research, formulation and implementation system cannot be overemphasised. First, the system

is still weak and fragmented and is unlikely to develop overnight. Concerted efforts from all directions by all people are therefore urgently required. Second, the investment made so far in establishing the Unit is now a sunk cost and there are signs that returns are just but starting to accrue. It can be said that APRU has just begun to have an impact when considering the growing interest in APRU's research findings among key policy actors in the Department of Irrigation, the Trade and Commerce ministry and the privatisation commission. Third, the experience gained so far during the life of the Unit (whether positive or negative) is in itself a valuable resource that can guide further refinement and strengthening of the Unit's structure, mandate, and financing arrangements towards realising the original goal of establishing a centre of excellence responsive to the needs of Malawi. In redesigning and continuing support towards this noble goal, it is proposed that the following specific recommendations be given due consideration.

### **(1) Greater autonomy of APRU**

To circumvent the constraints imposed on APRU's effectiveness by the Unit's attachment to Bunda College or any other such body in the future, it is recommended that APRU be re-established as an autonomous unit (both financially and otherwise) but with an affiliation to Bunda College.

### **(2) More sustainable financing mechanism for APRU**

APRU cannot effectively carry out its mandate without sustainable financing and without financial autonomy. However, the unit is neither ready to 'stand on its own' financially; nor should it be expected to, given the 'public good' nature of some of its products/services. Hence as the Unit gets redesigned to allow greater independence, more careful thought should be given to the most efficient and sustainable way of financing APRU. Given the financial difficulties being encountered by the GOM, the option of financing APRU largely by a recurrent line budget as originally envisaged through Bunda should be the least preferred and, if possible, avoided. It is recommended therefore that possibilities of creating a mechanism of core funding (for example, through an endowment or trust) be explored. Past experience with trust funds for the National Agricultural Research Systems (NARS) in much of southern Africa shows that this type of funding can be a viable financing option for APRU. The trust can be funded in part by donors and with a contribution from the GOM to ensure local ownership. The interest of Government and other donors to buy-in to this fund therefore has to be solicited. These key players should be given the space/platform to participate actively at all stages in the process of re-engineering APRU.

The size of the trust fund and the modalities of its operation are critical variables that will determine sustainability of the research Unit. It will be important therefore to review past experience in Africa or beyond where similar financing arrangements and policy research units have been tried. It is recommended therefore that this Assessment be followed up by another phase (or exercise) to address these more specific details.

### **(3) A more focused mandate for APRU**

As highlighted earlier, APRU's original mandate was too broad and requires refinement. It is recommended that the new mandate be narrower, more specific and directly focused on the Unit's goal of impacting on policy formulation in Malawi. The Unit's new mandate will make the difference between establishing just another consultancy outfit or developing a centre of excellence that directly satisfies the policy research and analysis needs of Malawi. Later, APRU's mandate can be broadened on a demand-driven basis if both financial and technical capabilities of the Unit permit and at the discretion of the unit's management. It is recommended, for example, that the Unit's non-research functions (e.g., teaching, training and information documentation) be streamlined at the beginning and let APRU perform them on a demand-driven basis. Given the shortage of policy research and analysis capacity in the country, capacity building should continue to be an important component of APRU's new mandate, but it is recommended that emphasis at least at the start be placed more on building internal capacity (within APRU staff) and less on external capacity (within MOAI, Bunda College, etc). The latter are important but should be pursued on a demand-driven basis and not as part of APRU's core mandate, at least in the beginning.

Once APRU's new mandate has been set, indicators of performance have to be developed. For example, in terms of policy research, these can include: (i) the number of well focused policy research papers published per given period; (ii) number of high-level policy discussion meetings attended by APRU to disseminate policy research findings; (iii) policy changes effected based on APRU's findings and recommendations, *inter alia*. Since these indicators will depend on the nature of APRU's new mandate, it is proposed that a detailed list of performance monitoring indicators be developed in the proposed follow-up phase once the new mandate has been set.

It is further proposed that senior APRU management staff (Chief of Party and Programme Manager) be intensively involved in the follow-up phase in which more specific details on APRU's reorganisation will be addressed.

### **(4) A re-oriented research agenda for APRU**

It is recommended that, consistent with the new mandate of APRU, the Unit's research agenda be recast. Most importantly, the approach that has so far been used by APRU to set its research agenda must be changed. First, tighter screening of commissioned projects is required to give top priority to those that impact on policies more directly. In the past, attainment of financial sustainability was the major pre-occupation of APRU and led to its acceptance of almost any project that was financially rewarding. More attention must now be paid to long-term policy research and analysis while at the same time addressing the short-term needs of policymakers. APRU's research agenda must be more *proactive* (keeping the unit ahead of policy debates and providing policymakers with options on how to make further progress on specific policy decisions) and less *reactionary* (monitoring impact of policy decisions already made). The research agenda must, however, be dynamic and should be expected to evolve over time as the needs of policymakers also evolve. What will be important therefore is to create an environment

that stimulates broad-based participation of stakeholders in the formulation of APRU's research agenda.

#### **(5) A new management structure for APRU**

Suffice it to say a "new APRU" also requires a new management structure. Even so, it is a well established fact that because of a variety of constraints, the original advisory and management committees met too infrequently to make them (committees) functional. It is recommended that both technical and administrative oversight of APRU's operations be done by a new (and perhaps smaller) autonomous Board of Trustees or other such board which will effectively replace the two committees set up in the past. Board members must be from a wide cross-section of stakeholders (government, private sector, farmers, and perhaps donors on ex-officio basis) and must be high-profile individuals to ensure sufficient visibility of the Unit to those at the core of the decision-making process in Malawi. While the GOM and donors will be expected to fund the Unit and provide every guidance necessary to see the Unit successfully take off, the responsibility to steer the rest of the Unit's operations must be vested in the board. Indeed, part of the board's mandate must be the screening of projects and oversight over other operational aspects of APRU in order to steer the Unit along the desired path. The proposed board must be *visionary* (in both agenda setting and development of mechanisms for its achievement), *outward looking* (aggressively searching for strategic linkages), and *dynamic* (active and responsive to the needs of an ever changing policy environment).

#### **(6) A stronger and modified composition of staff**

In terms of staffing, it is further proposed that APRU's staff composition be modified and strengthened. It is recommended that the Unit maintains Management that is (i) erudite, highly flexible, and responsive to the pragmatic needs of the Unit; (ii) fiscally prudent and well-informed when making administrative and managerial decisions; (iii) dynamic and effective in forging strong linkages with key stakeholders and policy makers; (iv) prepared to push innovative policy position papers to the highest level, unless a more appropriate mechanism for policy delivery is established.

At senior staff level, it is recommended that the Unit recruits a small number (preferably 2-3 and maximum of four) of senior researchers with: (i) strong micro/household-level analytical skills; (ii) strong macro-/market-level analytical skills; (iii) perhaps some expertise in environment and natural resources; (iv) an understanding of the policy making process; and (v) demonstrated ability to sell APRU (i.e., communicate effectively with decision makers and other researchers). APRU's senior core staff must have a demonstrated ability to transform the Unit into a vibrant centre of excellence. They must have an immense ability to envision, think strategically, creatively curve out niches for the unit at every stage of the policy formation cycle (assessment, analysis and action), and maintain good public relations with all actors. APRU's senior staff must be dynamic and be able to maintain visibility in government if the Unit is to succeed in commanding a high-profile expected of an institution of its kind.

In principle, the number of junior researchers should also be kept to a basic minimum and, as much as possible, their services should be contracted out, for example, to Bunda College students on a project basis. The nature and actual number of senior and junior staff members recruited should be determined, however, by the felt needs of the Unit especially in relation to its new mandate, past experience, the weight attached to local capacity building in APRU's new mandate and the costs associated with loss of existing institutional memory. It is recommended that, when modifying and strengthening staff, APRU as much as possible builds upon its existing institutional memory.

**(7) Stronger and more formal linkages between APRU and key policy actors**

Stronger and more formal linkages between APRU and other key actors in the policy research, formulation and implementation system are recommended to increase the current contribution of the Unit. Among these linkages, the most critical for APRU will be those that provide a formal mechanism/conduit for:

- (i) regular intellectual exchanges with policy actors to ensure broader participation in agenda setting and wider and more strategic dissemination of research results;
- (ii) soliciting clients for research that has direct policy implications (although the process will be more selective and tightly managed); and
- (iii) networking with other potential collaborators (centres of excellence in the country, subregion and beyond, through which APRU can supplement its/their human capacity). Potential collaborators with APRU include both public and private research institutes, universities, NGOs or private firms with similar or other relevant expertise needed by APRU to effectively carry out its mandate. Examples are the CSR, IFPRI, Bunda College, MSU Food Security Project, ICRISAT, etc.

It is recommended that the option of establishing a policy steering committee be pursued vigorously, but only as a starting point. It is further recommended that forging of strategic linkages with key policy actors be guided by broad-based and intensive consultations with the key policy actors and potential collaborators. *Pros* and *cons* of the different options must be weighed carefully before settling on any given strategy.

#### **(8) Stronger linkages between APRU and EPSU**

The need to evaluate *pros* and *cons* of different strategies emphasised above equally applies to linkages between APRU and EPSU. The *pros* and *cons* of such linkages will, by and large, depend on the degree of integration of the two efforts and their specific mandates. It is recommended that, as mandates get re-specified, implications (especially the likely compromises) on APRU's autonomy and EPSU's advocacy role be analysed first before arriving on the best way forward. In general, APRU can be expected to have a greater impact on policy if EPSU/MOAI gives priority to APRU when MOAI wants policy research to be conducted and more so if MOAI starts contributing to the trust fund. It is recommended therefore that wherever possible, APRU's services be given priority. The same applies to other USAID projects such as the Smallholder Agribusiness Development Project. However, the overriding concern should be in building APRU's reputation to the level where the Unit out-competes other service providers and demand for the Unit's services from such clients grows stronger naturally.

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5. USAID-Malawi and Bunda College of Agriculture, *Cooperative Agreement*, March 1993, plus Various Documents/Attachments.
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12. Simons, Scott, *Malawi Economic Policy Support Unit Annual Report*, June 1996 - May 1997.
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## **APPENDIX 1 SCOPE OF WORK**

### **Background:**

Since the early 1990's USAID/Malawi has been a major supporter of the Government of Malawi's efforts to improve the agricultural policy environment with an emphasis on regulations and policies having a negative impact on smallholder participation in the national economy and in the privatization of government functions within the sector. USAID efforts initially focused on broader macro-economic issues where significant success has been realized. Later more attention was addressed to micro level or sectoral issues. It is this latter area where much work may yet need to be done. Privatization is being implemented, but perhaps at a slower pace than originally hoped. The future success of the USAID/Malawi agricultural program will depend in large part on continued government commitment being paid to key macro and micro policy issues. Implementation of these key policies will be the ultimate challenge and reward if the agricultural sector is to perform as required.

### **Issues/Task:**

Currently the USAID Mission is supporting policy formulation through the Agricultural Policy Research Unit (APRU) at Bunda College and policy issues identification and implementation within the Ministry of Agriculture and Irrigation (MOAI) Planning Division. Both of these activities are of great importance to the future of agriculture in Malawi if managed correctly and in a complimentary fashion. Both activities are currently scheduled to end in September, 1998. The mission must decide in the near future if continued support is justified to either or both and what proper mechanism is required to assume effectiveness, efficiency and complementarity. Therefore, it is the intent of the Mission to contract for a review of these two activities which are currently being implemented by Lincoln University and Bunda College (APRU) and Abt. in collaboration with the Ministry of Agriculture and Irrigation (Planning Division). In following the terms of reference for this review the following issues need to be examined:

1. In order to ensure an adequate understanding of relevant background efforts related to policy identification, research formulation and implementation in Malawi it will be necessary to:
  - a. assess the effectiveness of the policy agenda supported by USAID to date. Note major accomplishment and identify key policy issues yet remaining, both at the macro and micro or sectoral level.
  - b. review the contribution, if any, USAID efforts through APRU and technical assistance to the MOAI Planning Division have made. Each activity should be



looked at first separately and independently. What's worked, what hasn't and how do we make things work better?

- c. determine the extent to which the two efforts have been complimentary and mutually reinforcing.
2. In light of human capacity and financial constraints at both APRU/Bunda and the MOAI, as well as operational efficiency constraints given APRU's direct attachment to Bunda College, what structural and other appropriate changes are necessary if APRU is to fully succeed? Additionally, identify other constraints that may be hindering APRU's realization of its original goals. Recommend options for improvement.
3. Examine the original USAID objectives in providing support to both the development of APRU and strengthening of the MOAI Planning Department. Assess how successful both efforts have been. In particular, examine original APRU mandate as developed at the outset of USAID assistance and assess extent to which successful and if still appropriate.
4. Examine opportunity for greater integration of policy research, formulation and implementation and linkages with other appropriate institutions/bodies. Develop recommendations to ensure how this might best be accomplished.
5. Evaluate the actual process of policy formulation within the GOM with particular reference to how greater involvement by APRU/MOAI might be realized. What specific mechanism might work best e.g. task force participation, improved feedback, actual involvement in implementation. Be specific how APRU fits into the system and related to other units such the MOAI Planning. Also, how does Planning support work carried out by APRU staff. Determine if existing process reasonably well structured or much more ad hoc in nature. Recommend changes. How to best address need to assure follow-up actions are taken. Is there a mechanism to assure obligators are fulfilled?

In summary, how must the system generally and APRU more specifically be changed or restructured to accomplish goals, objectives and sustainability. Specific recommendations are required for: (1) how APRU is structured to carry out its mandate; (2) relationships with and between activities such as Bunda College, relevant GOM Ministry(s), external organizations; (3) sustainability; and (4) how the entire system of policy research, formulation and implementation can be improved to assure greatest efficiency and productivity. This point will provide the basis for the final report.

**APPENDIX 2  
ITINERARY FOR ASSESSMENT**

**Day 1, Wednesday**

02/25/98	1:00p 1:30p	meeting w/Jim Dunn (SO#1 team leader), Julio Schlotthauer (Parastatal Restructuring Advisor), Rob Luneberg (Food Security Advisor), Venge Nkosi (Program Economist), Benson Phiri (Ag. Economist) to be introduced to SOW
	2:00p 5:00p	review of background documents

**Day 2, Thursday**

02/26/98	9:00a 10:00a	meeting w/Jim Dunn (SO#1 team leader), Julio Schlotthauer (Parastatal Restructuring Advisor), Rob Luneberg (Food Security Advisor), Venge Nkosi (Program Economist), Benson Phiri (Ag. Economist) to discuss SOW
	11:00a 3:30p	meeting w/APRU -- Ken Neils (Chief of Party) and Dr. Ng'ong'ola (Program Manager)

**Day 3, Friday**

02/27/98	8:30a 9:15a	meeting w/ Scott Simons, Policy Advisor to MOAI w/USAID-funded EPSU
	9:30a 11:00a	meeting w/Mr. Ian Kumwenda, Acting Director MOAI Planning Division
	11:00a 12:30p	meeting w/Dr. E.S. Malindi, Controller for Agricultural Services (CAS) MOAI
	4:15p 5:00p	meeting w/Jim Dunn and Jane Hopkins to discuss schedule for weeks 2 and 3 of TDY
	6:30p 8:00p	meeting w/Jane Hopkins at Capital Hotel to discuss directions for the next week

**Day 4, Saturday**

02/28/98                      9:00a 5:30p                      reading background materials at Guest House

**Day 5, Sunday**

03/01/98                      3:00p 5:30p                      meeting w/ Jane Hopkins to brainstorm issues

7:45p 9:45p                      dinner meeting w/Peter Moll (WB staffer working on Bank's Structural Adjustment program for Malawi)

**Day 6, Monday**

03/02/98                      9:00a 10:00a                      meeting w/Dr. Z. Kasomekera, Principal, Bunda College and Head of Advisory Committee, APRU

1:15p 2:15p                      meeting w/Dr. Harry Potter, ODA (DIFD)

3:00p 4:15p                      meeting w/Dr. G.M. Chapola, General Manager, Tobacco Control Commission

5:00p 7:00p                      meeting w/John Engle and Tom Carr, SADP

**Day 7, Tuesday, National Holiday**

03/03/98                      9:00a 6:30p                      review of background documents at Guest House

**Day 8, Wednesday**

03/04/98                      8:00a 9:00a                      meeting w/Austin Ngwira, Program Officer, DANIDA

9:15a 10:15a                      meeting w/Mr. Zissimos Vergos, Food Security Advisor, EU

10:30a                      11:30a                      meeting w/John Sprowson, Managing Director, Press Agriculture Ltd.

2:00p 3:00p                      meeting w/Stanley Hiwa, Agricultural Program Officer, World Bank Mission in Malawi

**Day 9, Thursday**

03/05/98	9:15a 10:30a	meeting w/Prof. Leonard Kamwanja, Vice Principal Bunda College
	10:45a 11:15a	meeting w/Mr. Henry Mbeza, Agric. Engineering Dept., Bunda College
	11:30a 12:00p	meeting w/Mr. Joseph Jonazi, Statistician, Bunda College
	12:15p 12:45p	meeting w/Dr. Richard Phoya, Head of Animal Science Dept., Bunda College
	1:00p 2:00p	lunch meeting w/Ken Neils and Davies Ng'ong'ola
	2:15p 3:30p	meeting w/Charles Mataya, Head of Rural Development Department, Bunda College
	4:30p 5:15p	meeting w/Teddy Nakhumwa, Research Fellow, APRU
	5:15p 6:00p	meeting w/Charles Jumbe, Research Fellow, APRU
<b>Day 10, Friday</b>		
03/06/98	9:00a 9:40a	meeting w/Jim Smith, Deputy Res. Rep., World Bank Mission in Malawi
	9:30a 10:45a	WTO seminar at USAID by Neal Cohen, REDSO
	11:00a 12:00p	meeting w/Scott Simons, Policy Advisor, USAID's EPSU project
	1:30p 5:30p	IDEAA (Initiative for Development and Equity in African Agriculture) workshop at Capital Hotel to meet with MOAI staff and Principal of Bunda
<b>Day 11, Saturday</b>		
03/07/98	8:20a 9:00p	IDEAA (Initiative for Development and Equity in African Agriculture) workshop at Capital Hotel to hold follow-up meetings with MOAI staff and head of CSR

**Day 12, Sunday**

03/08/98            1:00p 3:00p            working w/Jane Hopkins on draft report

                         6:00p 8:00p            meeting w/Dr. Zachary Kasomekera, Principal of Bunda College -- Capital Hotel

**Day 13, Monday**

03/09/98            9:30a 11:30a            meeting w/Scott Simons at MOAI/EPSU

                         11:30a 12:30p            meeting w/Jim Dunn to discuss progress and direction for remaining week

**Day 14, Tuesday**

03/10/98            2:15p 5:00p            working at USAID on draft report

                         9:00a 10:15a            meeting w/Malcolm Blackie, Rockefeller Foundation

                         10:30a            1:00p            APRU presentation at MOAI

                         2:00p 4:00p            working at USAID on draft report

                         4:00p 5:00p            meeting w/Todd Benson, Rockefeller Foundation/World Bank

**Day 15, Wednesday**

03/11/98            9:00a 6:00p            working at USAID on draft report

**Day 16, Thursday**

03/12/98            9:00a 4:00p            prepare debriefing notes/debriefing at USAID

**Day 17, Friday**

03/13/98            9:00a 6:00p            working at USAID on draft report

**Day 18, Saturday**

03/14/98            9:00a 6:00p            working w/Jane Hopkins on report outline and draft report

**Day 19, Sunday**

03/15/98            1:00p 9:00p            working at Guest House on draft report

**Day 20, Monday**

03/16/98                      7:30a 10:00p                      working at USAID on draft report

**Day 21, Tuesday**

03/17/98                      8:30a 5:00p                      working at USAID on draft report  
    6:00p 3:00a                      finalising draft at Guest House

**Day 22, Wednesday**

03/18/98                      7:30 9:00a                      finalisation of draft report at USAID