

Republic of Malawi
Rural Livelihoods Support Programme
Project Performance Evaluation
Approach Paper

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I. Background

1. For completed investment projects financed by IFAD, its Independent Office of Evaluation (IOE) undertakes: (i) validation of project completion reports (PCRs) for all projects, based on a desk review of project completion reports (PCRs) and other documents; and (ii) project performance evaluations (PPEs) involving country visits for a number of selected projects (about 10 in a given year)¹.
2. A PPE is conducted after a desk review of the PCR and other available documents, with the aim of providing additional evidence on project achievements and validating the conclusions of the PCR. In general terms, the main objectives of PPEs are to: (i) assess the results of the project; (ii) generate findings and recommendations for the design and implementation of ongoing and future operations in the country; and (iii) identify issues of corporate, operational or strategic interest that merit further evaluative work.
3. The Rural Livelihoods Support Programme (RLSP) in the Republic of the Malawi (implemented between 2004 and 2014) has been selected for a Project Performance Evaluation.

II. Programme Overview

4. **Programme area.** The programme area comprises three districts in Malawi's Southern Region, Chiradzulu, Thyolo and Nsanje. The southern rural region overall had a higher rate of poverty (64.4 per cent) compared to the national average (52.4 per cent) in 2004-05, when the project commenced its operations. The three target districts of Chiradzulu, Nsanje and Thyolo had poverty rates of 63.5 per cent, 76 per cent and 64.9 per cent respectively. The baseline survey conducted in 2006 reveals the following important baseline scenario:
 - Average landholding in target area at 0.77 ha, characterized by low productivity
 - Around 60 per cent of the households had access to safe, potable water
 - Female headed households comprised about 34 per cent of the households in the target area
 - Between 15 per cent and 20 per cent of the people in programme area tested positive for HIV/AIDS
5. **Programme objectives.** The overall objective of the project is to sustainably reduce poverty through promotion of on- and off-farm and wage based incomes. Specific objectives include: (a) Promoting sustainable agricultural production and simple but efficient natural resource management technologies for improved food security, nutrition and agriculture-based incomes for better living conditions; (b) Promoting the development of skills for selected target groups (including youth and women); (c) Promoting employment through support for infrastructure development to provide incomes especially during off-seasons; and (d) Developing/improving individual and local community capacities and capabilities

¹ The selection criteria for PPE include: (i) information gaps in PCRs; (ii) projects of strategic relevance that offer enhanced opportunities for learning; (iii) a need to build evidence for forthcoming corporate level evaluations, country strategy and programme evaluations or evaluation synthesis reports; and (iv) a regional balance of IOE's evaluation programme.

in terms of their organisation to access relevant resources to improve their livelihoods.

6. **Target group and targeting approach.** The post appraisal report stated that it would target about 8000 households in Nsanje, 16,000-20,000 households in Thyolo and 3000-4000 households in Chiradzulu, representing a total of 16 per cent of the population of the target districts. However, during implementation, the coverage was expanded to target 10,000 households in Nsanje, 16,000-20,000 households in Thyolo and 10,000 households in Chiradzulu.²
7. **Programme components.** The programme comprised three components as follows:
 - (i) **Investment in Human Capital.** The objective of this component was to empower communities to strengthen internal coping mechanisms and village organizational structures; create effective demand for village investments; and access guidance and support on issues of concern. This supported capacity building at village level in order to empower vulnerable communities and households through: (i) establishing and strengthening village organisational structures; (ii) creating effective demand for technical interventions; and (iii) being proactive in accessing guidance/support from service providers. The focus was to develop the skills of villagers, public service providers and those who represent their interests at village, area and district levels.
 - (ii) **Village Investment.** This supported target groups with resources to invest in a series of activities that respond to their concerns and that use local opportunities identified through the village planning process. Two funds had been established: the Local Initiative Fund (LIF) and the Village Investment Fund (VIF). Activities funded include: (i) agriculture and livestock development; (ii) natural resource management and environmental conservation; (ii) community water development, management and irrigation; (iii) primary health care and sanitation; and (iv) formal and informal off-farm income-generating activities.
 - (iii) **Programme and policy coordination (PMPC).** This included: (i) establishment and operation of the Programme Facilitation Unit (PFU); (ii) contracting services on behalf of beneficiaries; (iii) coordination of Programme supervision; (iv) liaising with other donor-funded activities in related fields; and (v) arranging for the Programme's reassessment at the end of Cycles I and II.
8. **Project financing.** RLSP was financed through a loan under the flexible lending mechanism wherein financing and programme implementation was undertaken in three phases – each phase contingent upon successful achievement of specified milestones in the previous phase. The programme budget and actual cost are shown below consolidated for all three phases of the project. The programme cost estimates vary somewhat between different documents.

Table 1

Planned programme financing by component (in million US\$ '000) as stated in post appraisal report

Component	Phase I		Phase II		Phase III		
Investment in Human Capital	3.14	60.2%	2.59	42.3%	1.1	21.2%	
Village Investment	0.8	15.3%	2.28	37.2%	2.96	57.2%	
Programme and policy coordination	1.27	24.3%	1.25	20.4%	1.12	21.6%	
TOTAL	5.21		6.13		5.18		16.52

² Project completion report

Table 2

Actual financing by component (in million US\$) as stated in project completion report

Component	Phase I		Phase II		Phase III		
Investment in Human Capital	1.725	42.2%	3.217	41.6%	1.8	33%	
Village Investment	0.48	11.75%	2.49	32.3%	1.86	34%	
Programme and policy coordination	1.89	46%	2.004	26%	1.83	33%	
TOTAL	4.08		7.734		5.5		17.31

The difference in approved and disbursed total (in US\$) could be attributed to the SDR/US\$ exchange rate fluctuation over the period since approval of the project.

9. **Timeframe.** The IFAD executive board approved a loan towards the project, worth SDR10.7 million, in September 2001 and became effective in August 2004. The project's completion was 30 September 2013 and closed on 31 March 2014. The project also received a Canadian supplementary grant of US\$209,450 and an IFAD loan component grant of US\$70,000.
10. At the time of the loan/grant closing, the disbursement rate was 100 per cent (about SDR10.62 million) for the loan account as well as both the grant accounts.³
11. **Implementation arrangements.** The project was implemented under the oversight of the Ministry of the Local Government and Rural Development. A National Steering Committee headed by the Ministry of the Local Government and Rural Development provided overall guidance to the project. The Project Facilitation Unit (PFU) based in Blantyre was established to oversee RLSP implementation including financial control, contracting and supervision, coordination with related programmes and projects, annual workplan and budget preparation, monitoring and reporting. The staff of PFU, headed by a programme manager, reporting to the Secretary of Local Government and Rural Development, consisted of a Financial Accountant, Procurement Officer, Monitoring and Reporting Officer, Business Development Officer, Community Development Officer, three District Facilitators and eight Field Facilitators, as well as clerical/administrative support staff and drivers.
12. In the Districts, the Programme operated within the District Assemblies (DAs) under the supervision of the District Commissioner and the District Executive Committee. Within the District Assemblies the devolved line ministries (known as sectors) provided technical support in their respective disciplines. In each District there was a Programme Facilitator engaged and supervised by the PFU and working in close collaboration with the District Director of Planning and Development.
13. **Supervision arrangements.** Initially, the United Nations Office for Project Services (UNOPS) was appointed as a cooperating institution responsible for administering the financing and supervising the programme (as per an agreement letter dated 13 November 2003). However, with an overall corporate shift to direct supervision, IFAD took over the responsibilities from the first supervision mission that was fielded in October 2008.

III. PPE Scope and Methodology

14. The PPE exercise will be undertaken in accordance with the IFAD's Evaluation Policy⁴ and the IFAD Evaluation Manual (second edition, 2015). Analysis in the PPE will be assisted by a review of the theory of change (ToC) as presented in Annex 1 to assess the extent to which the RLSP's objectives were effectively achieved. The

³ While the president's report and the financing agreement indicate that 10.7 million SDR was approved and allocated to the project, IFAD's Flexcube system indicates the allocated amount at 10.63 million SDR. Similarly, while the IFAD's Flexcube system indicates the allocated under the Canadian grant at US\$ 209,450 and the IFAD loan component grant at US\$ 70,000. However, in the disbursement report in the Flexcube the allocated amounts are indicated to be US\$ 177,618 and US\$ 49,291.

⁴ <http://www.ifad.org/pub/policy/oe.pdf>

ToC of a project depicts the causal pathways from project outputs (the goods and services that it delivers) through changes resulting from the use of those outputs made by target groups and other key stakeholders towards impact (Poverty sustainably reduced through promotion of on- and off-farm and wage based incomes). The ToC also depicts Intermediate States, i.e. changes that should take place between project outcomes (specific objectives level) and impact. The ToC further defines external factors which influence change along the major impact pathways. These external factors are assumptions when the project has no control over them, or Drivers of Impact when the Project has certain level of control.

15. The PPE will reconstruct the RLSP's ToC based on the original design (grey color), a review of the documentation on the Project and stakeholder interviews. The PPE Mission will discuss the reconstructed ToC during the Country visit to ascertain the causal pathways identified and validate the Intermediary States (green color), the Assumptions (blue color), and the Drivers of Impact (orange color).
16. **Scope.** In view of the time and resources available, the PPE is generally not expected to undertake quantitative surveys or to examine the full spectrum of project activities, achievements and drawbacks. Rather, it will focus on selected key issues. The PPE will take account of the preliminary findings from a desk review of PCR and other key project documents and interviews at the IFAD headquarters. During the PPE mission, additional evidence and data will be collected to verify available information and each an independent assessment of performance and results.
17. **Evaluation criteria**⁵. In line with the second edition of IOE's Evaluation Manual (2015), the key evaluation criteria applied in PPEs in principle include the following:
 - (i) **Relevance**, which is assessed both in terms of alignment of project objectives with country and IFAD policies for agriculture and rural development and the needs of the rural poor, as well as project design features geared to the achievement of project objectives.
 - (ii) **Effectiveness**, which measures the extent to which the project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance.
 - (iii) **Efficiency**, which indicates how economically resources/inputs (e.g. funds, expertise, time, etc.) are converted into results.
 - (iv) **Rural poverty impact**, which is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a results of development interventions. Four impact domains are employed to generate a composite indication of rural poverty impact: (i) household income and assets; (ii) human and social capital and empowerment; (iii) food security and agricultural productivity; and (iv) institutions and policies. A composite rating will be provided for the criterion of "rural poverty impact" but not for each of the impact domains.
 - (v) **Sustainability of benefits**, indicating the likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.
 - (vi) **Gender equality and women's empowerment**, indicating the extent to which IFAD's interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and

⁵ The order presented below is the order in which the narrative will be presented. However, the rating on project performance will be calculated as the average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits will the project performance rating.

- ownership of assets, resources and services; participation in decision making work loan balance and impact on women's incomes, nutrition and livelihoods.
- (vii) **Innovation and scaling up**, assessing the extent to which IFAD development interventions: (a) have introduced innovative approaches to rural poverty reduction; and (b) have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and other agencies.
 - (viii) **Environment and natural resource management**, assessing the extent to which a project contributes to changes in the protection, rehabilitation or depletion of natural resource and the environment.
 - (ix) **Adaptation to climate change**, assessing the contribution of the project to increase climate resilience and increase beneficiaries' capacity to manage short- and long-term climate risks.
 - (x) **Overall project achievement** provides an overarching assessment of the intervention, drawing upon the analysis and ratings for all above-mentioned criteria.
 - (xi) **Performance of partners**, including the performance of IFAD and the Government, will be assessed on an individual basis, with a view to the partners' expected role and responsibility in the project life cycle.
18. **Rating system.** In line with the practice adopted in many other international financial institutions and UN organizations, IOE uses a six-point rating system, where 6 is the highest score (highly satisfactory) and 1 being the lowest score (highly unsatisfactory).
19. **Data collection.** The PPE will be built on the initial findings from a review of the Project Completion Report, Project Completion Report Validation and other documents. In order to obtain further information, interviews will be conducted both at IFAD headquarters and in the country. During the in-country work, additional primary and secondary data will be collected in order to reach an independent assessment of performance and results. Data collection methods will mostly include qualitative participatory techniques. The methods deployed will consist of individual and group interviews with project stakeholders, beneficiaries and other key informants and resource persons, and direct observations. The PPE will also make use – where applicable – of additional data available through the programme's monitoring and evaluation (M&E) system. Triangulation will be applied to verify findings emerging from different information sources.
20. **Stakeholders' participation.** In compliance with the IOE Evaluation Policy, the main project stakeholders will be involved throughout the PPE. This will ensure that the key concerns of the stakeholders are taken into account, that the evaluators fully understand the context in which the programme was implemented, and that opportunities and constraints faced by the implementing institutions are identified. Regular interaction and communication will be established with the East & Southern Africa (ESA) of IFAD and with the Government. Formal and informal opportunities will be explored during the process for the purpose of discussing findings, lessons and recommendations.

IV. Evaluation Process

21. Following a desk review of PCR and other project key project documents, the PPE will involve following steps:
- **Country work.** The PPE mission is scheduled for around 29 June – 11 July 2016. It will interact with representatives from the government and other institutions, beneficiaries and key informants, in Lilongwe and in the field. At the end of the mission, a wrap-up meeting will be held in Lilongwe to summarize the preliminary findings and discuss key strategic and operational issues. The IFAD

country programme manager for Malawi is expected to participate in the wrap-up meeting.

- **Report drafting and peer review.** After the field visit, a draft PPE report will be prepared and submitted to IOE internal peer review for quality assurance.
- **Comments by ESA and the Government.** The draft PPE report will be shared simultaneously with ESA and the Government for review and comment. IOE will finalize the report following receipt of comments by ESA and the Government and prepare the audit trail.
- **Management response by ESA.** A written management response on the final PPE report will be prepared by the Programme Management Department. This will be included in the PPE report, when published.
- **Communication and dissemination.** The final report will be disseminated among key stakeholders and the evaluation report published by IOE, both online and in print.

22. **Tentative timetable** for the PPE process is as follows:

Date	Activities
May 2015 – June 2016	Desk review
29 June – 11 July 2016	Mission to the Malawi
July – August 2016	Preparation of draft report
August 2016	IOE internal peer review
August 2016	Draft PPE report sent to ESA and Government for comments
September 2016	Finalisation of the report
October 2016	Publication and dissemination

V. Specific issues for this PPE

23. **Evaluation criteria in this PPE.** Among the standard evaluation criteria mentioned in paragraph 17, based on the preliminary review of the project documents and PCR, the criterion for "adaptation to climate change" may not be rated unless the PPE mission reveals any relevant programme contribution worthwhile noting – positive or negative – in this regard. It is also noted that at the time the programme was designed, there was no specific attention on this agenda.
24. **Key issues for PPE investigation.** A PPE is a project evaluation with a limited scope and resources. As such, PPEs are not expected to investigate all activities financed under the project or to undertake in-depth impact assessment. Key selected issues to be reviewed, closely identified based on the initial desk review, are presented in the below. These may be fine-tuned based on further considerations or information availability, consultation with ESA and the Government.
- (i) **Support to decentralization process within the target districts.** The Rural Livelihood Support Programme (RLSP) was implemented in the context of evolving decentralization in Malawi in the aftermath of the Decentralization Policy (1998). In such context, the programme strove to boost the decentralization at the all three levels of local governance, i.e. District Assemblies, Area Development Committees and Village Development Committees, through capacity building, facilitation of community driven planning and implementation of development interventions. The PPE shall seek to answer three broader questions in understanding the role of RLSP in the decentralization process in the target districts.
- a.) How successful was RLSP in enhancing the capacities of the local government bodies in target districts?

- b.) Did the project successfully facilitate interaction between the local governments and target communities?
 - c.) How successful were RLSP's efforts in sustainably improving the capacities of the target communities to engage with local governments and foster community driven development?
- (ii) **Sustainability of programme benefits.** This PPE is being conducted two years after RLSP closed. While such lapse of time presents challenges in the evaluation process, it also provides an opportunity to assess the sustainability of the benefits of the project. Among other things, the PPE will pay attention to:
- a.) Community institutions such as Village Development Committees (VDCs) and planning and implementation structures set up during RLSP
 - b.) The maintenance of community and village level infrastructure created during RLSP.
 - c.) Continuity of technical (lead farmer extension system, pass on system for livestock etc.) and financial services, now supposedly taken over by the Opportunity Bank of Malawi, and their benefits to the target population introduced by RLSP in the target districts.
- (iii) **Monitoring & Evaluation and Programme Impact.** RLSP's supervision reports have repeatedly pointed to the weaknesses in the monitoring and evaluation system of the project. This is validated by the lack outcome and impact data (in some cases even output level data) in project reports. A beneficiary impact assessment published in 2014 plugs the gap in outcome level data to some extent. The PPE team will validate the findings of the beneficiary impact assessment and the Project Completion Report through observations in the field.
- (iv) **Efficiency of programme management.** The cumulative programme management & coordination costs, at the end of the programme, are found to be about 33 per cent of the total programme expenditure. This is found to be in excess of the 22 per cent of the total costs foreseen at the start of the mission. This, taken together with the weak M&E, appears to be on the higher side. The mission will attempt to attribute the reasons for such high project management costs.
- (v) **Gender and youth.** As a result of a weak M&E system the project could not provide comprehensive gender disaggregated data for project interventions. Anecdotal evidence points to increased participation of women in local governance and economic activities. However, there is little mention of the role and participation of youth in project related activities, especially given the fact that two thirds of Malawi's population is said to be under 25 years of age, as of 2014.⁶

VI. Evaluation Team

25. The team will consist of Mr Prashanth Kotturi, IOE Evaluation Analyst and Mr James Gasana (rural development expert, IOE consultant). The team will be responsible for the final delivery of the report, under the supervision of Mr Fabrizio Felloni, Lead Evaluation Officer, IOE. Ms Maria Cristina Spagnolo, IOE Evaluation Assistant, will provide administrative support.

⁶ Population reference bureau: <http://www.prb.org/pdf14/malawi-youth-datasheet-2014.pdf>

VII. Background Documents

26. The key background documents for the exercise will include the following:

RLSP project specific documents

- Design Report (2001)
- IFAD President's Report (2001)
- Post appraisal Report (2003)
- Programme Financing Agreement (2003)
- Baseline Survey (2014)
- Evaluation report of Phase I (2007)
- Evaluation report of Phase II (2010)
- Supervision Mission Aide Memoire and Reports
- Project completion report (2014)
- Beneficiary Impact Assessment (2014)

General and others

- IFAD (2011). IFAD Evaluation Policy.
- IOE (2012). Guidelines for the Project Completion Report Validation (PCR) and Project Performance Assessment.
- IFAD (2015). Evaluation Manual – Second Edition
- IOE (2015). Project Completion Report Validation of the Rural Livelihoods Support Project
- Various IFAD Policies and Strategies, in particular, Strategic Framework (2002-2006), Rural Finance, Rural Enterprise, Targeting, Gender Equity and Women's Empowerment

Reconstructed RLSP Theory of Change

