

# Malawi Country Summary Evaluation Report



*Decentralized evaluation for evidence-based decision making*

## WFP Contribution to Market Development and Food Systems in Southern Africa: A Thematic Evaluation [January 2018 to March 2021]

### 1. Introduction

1. Malawi was one of the six country case studies for a thematic evaluation of the World Food Programme (WFP) market development activities (MDAs) and related food systems support activities in Southern Africa. The evaluation was commissioned by WFP Regional Bureau for Southern Africa (RBJ) and covers the period from 2018 to 2021. The evaluation was intended to answer the question: *“What is the contribution of WFP to market development and food systems and how can such contribution be enhanced to contribute towards Zero Hunger?”* The primary user of the evaluation is WFP staff involved in designing and implementing MDAs especially Country Office (CO) and RB staff. Other users are HQ staff involved in development of guidelines, standards, and procedures for designing, implementing, monitoring, and evaluating MDAs. Relevant partners involved in MDAs will also find the evaluation of use to them.

### 2. Context

2. Malawi is one of the poorest countries in the world with 50.7 percent of the population living below the national poverty line and 25 percent living in extreme poverty. Over the past two decades, there has been a decline in the rates of undernutrition in Malawi, while the incidence of stunting remains high. Some recent progress has been made, as the percentage of children under five years of age who are stunted has decreased from 47.1 in 2010 to 37.1 in 2015/2016. Gender inequalities affect all aspects of social and economic development. As compared with men, women also tend to lack access to health and financial services and to justice and protection against sexual abuse and other forms of domestic violence.

3. In November/December 2020, about 2.55 million people faced crisis acute food insecurity conditions (IPC Phase 3) and needed humanitarian support.<sup>1</sup> Out of this total, approximately 2.03 million were in the rural areas and 518,000 were in the four urban cities. Generally, market dependence and income loss because of the impact of COVID-19 has exacerbated vulnerability in urban

areas of the country. In response to food insecurity, 978 households in five districts were reached by WFP with cash transfers amounting to US\$ 64,160 using the crisis modifier fund and support from ECHO, UNICEF, and government.

4. Political instability and social unrest in the Great Lakes and Horn of Africa regions have resulted in a continued flow of refugees into Malawi for over two decades, with the vast majority now residing in and around the Dzaleka Refugee Camp. In partnership with the Government and the United Nations High Commissioner for Refugees (UNHCR), WFP continues to provide monthly food assistance to meet urgent food and nutritional needs of over 42,000 refugees and asylum seekers in Dzaleka Refugee Camp.

### 3. Subject of the Evaluation

5. The subject of the evaluation are the MDAs implemented as part of Cash Based Transfers (CBTs) and related agriculture market interventions. CBT in Malawi used unrestricted cash and was planned to be used under Country Strategic Plan's (CSP):

- **Activity 1** (Provide cash-based and/or food transfers to refugees, malnourished persons, and the most vulnerable populations affected by seasonal shocks)<sup>2</sup>
- **Activity 3** (Provide nutritious meals to school children in food insecure areas)<sup>3</sup>
- **Activity 5** (Provide resilience-building support, education and systems-strengthening services to smallholder farmers and value chain actors).<sup>4</sup>

6. The evaluation had two mutually reinforcing objectives of accountability and learning, with greater emphasis given to learning as this is a relatively new and under-evaluated area of WFP work. In Malawi, the evaluation assessed changes to retailers working with WFP in ensuring food access to those receiving assistance. In addition, the evaluation generated lessons on the WFP relationship with retailers who participated in the MDAs.

<sup>1</sup> IPC Global Support Unit (January 2021), *IPC Acute Food Insecurity Analysis November 2020 – March 2021*, [http://www.ipcinfo.org/fileadmin/user\\_upload/ipcinfo/docs/IPC\\_Malawi\\_Acute\\_Food\\_Insecurity\\_2020Nov2021Mar\\_Report.pdf](http://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Malawi_Acute_Food_Insecurity_2020Nov2021Mar_Report.pdf)

<sup>2</sup> 2019 WFP Malawi Strategic Outcome 1: Crisis Response.

<sup>3</sup> 2020 WFP Malawi ACR

<sup>4</sup> WFP Malawi Strategic Outcome 4: Resilience Building

7. In terms of agriculture market interventions, these were implemented under Activity 3 and 5 as well, and included the improvement of farmers' product quality, strengthening the capacity of irrigation schemes, and collective marketing to gradually support Food for Assets participants in farming as a business, linking farmers' organizations to supply schools, supporting in hermetic grain storage technologies, and providing trainings to reduce food losses and risk of aflatoxins.

8. The Country Office (CO) implemented CBTs through strategic outcomes 1, 2, and 4.

9. **Strategic outcome 1:** Shock-affected people in Malawi, including refugees, have access to nutritious food all year long. This outcome and related activity focuses on crisis response and refugees and is deeply connected to the resilience-building work of the remaining four outcomes: evidence generation and scale-up of shock-responsive social protection (strategic outcome 2); nutrition-sensitive programming addressing malnutrition (strategic outcome 3); a sustainable food systems approach to supporting smallholders, especially women (strategic outcome 4); and supply chain and service provision activities to build public and private sector capacity to respond to emergencies (strategic outcome 5, in Sustainable Development Goal 17).<sup>5</sup> Through outcome 1 activities, WFP provided food assistance through both in-kind and/or cash transfers to those considered as most food insecure. In 2019, 751,763 people received cash-based transfers that totalled approximately US\$ 17.4 million.<sup>6</sup> In 2020, the cash support had a narrower reach, as between January and December 2020, a total of 626,323 beneficiaries were assisted with cash-based transfers, which together valued approximately US\$ 9.7 million.<sup>7</sup>

10. **Strategic outcome 2:** Vulnerable populations in food-insecure communities' benefit from strengthened shock-responsive social protection systems and efficient supply chains that ensure access to safe, nutritious food all year round. This outcome planned to distribute a nutritious meal that provided basic food and nutritious needs for children attending school every day. With the activity, enrolment, attendance, and retention was expected to increase. According to project staff, the home-grown school feeding programme also worked as MDAs, as it directly linked the schools the smallholder producers, so the schools would serve as their markets. Farmers acknowledged they were directly supplying the schools with food. During the COVID-19 restrictions period, the project had to find a solution to keep distributing food to the vulnerable children, as the schools were closed temporarily. As a result, WFP shifted the school-meal

project to a take-away meal project, so children would still receive one nutritious meal a day and farmers would still sell their products to the schools.

11. **Strategic outcome 4:** Smallholder producers and vulnerable populations in Malawi (especially women) have enhanced resilience, through diversified livelihoods, increased marketable surpluses and access to well-functioning food systems and efficient supply chains by 2030. One of the outcome's aims was to benefit targeted food-insecure communities from conditional food, cash-based and knowledge transfers to meet the immediate needs of asset-creating activities' participants. Another remarkable output was that the general population would benefit from targeted smallholder producers and cooperatives receiving financial and technical assistance. In 2019, through the programme activity, WFP supported a total of 453,945 beneficiaries with cash-based transfers worth a total of US\$ 9.1 million.<sup>8</sup> In 2020, the support remained largely the same, with a slight increase, as 459,048 beneficiaries received cash-based transfers valued a total of approximately US\$ 10 million.<sup>9</sup>

#### 4. Methods and Limitations

12. The evaluation adopted a mixed methods approach that included an in-depth document review of project records sourced from WFP at the CO, Regional, and HQ levels, as well as from implementing partners. These included Annual Country Reports (ACRs), Country Strategic Plan, project reports and others. Then, the Evaluation Team used the Qualitative Impact Assessment Protocol (QuIP)<sup>10</sup> to collect data from retailers, complemented and triangulated by key informant interviews with WFP staff, government, farmer associations, and other project stakeholders.

13. The evaluation followed the eleven evaluation questions posed by the terms of reference using the evaluation criteria of relevance, effectiveness, impact contribution and sustainability. Gender equality and empowerment of women was mainstreamed throughout the evaluation. Data collection took place from 24<sup>th</sup> May to 5<sup>th</sup> June 2021. A total of 24 interviews and five focus group discussions were conducted in Dowa, Dedza, Balaka, and Nsanje districts. The list of stakeholders consulted is found in [Annex 11](#).

14. Even though overall data collection went well, the data collection team had difficulties in identifying respondents in certain locations. In Dezda, Mponela and Dzaleka Camp, the community was not cooperative in aiding the researchers to find the necessary respondents. In addition, when the retailers were found, they did not

<sup>5</sup> 2020 WFP Malawi CSR

<sup>6</sup> 2019 WFP Malawi ACR

<sup>7</sup> 2020 WFP Malawi ACR

<sup>8</sup> 2019 WFP Malawi ACR

<sup>9</sup> 2020 WFP Malawi ACR

<sup>10</sup> QuIP is a simple and cost-effective approach used to gather, analyse and present feedback from intended beneficiaries of social investments and development interventions about significant drivers of change in their lives.

seem to be cooperative with the team, as they did not want to take the interview at first. They were suspicious that the researchers worked for the government and were planning to confiscate their goods, mainly maize. However, once the team explained who they were and the purpose of the research (without compromising the blindfold element, essential to the QulP methodology), traders became willing to talk. It was reported that the initial set back did not compromise the quality of the data acquired, as they were able to have good interviews and discussions. Overall, data collection went well, but the researchers noted that they spent a considerable amount of time trying to locate the vendors, which could have been avoided if they had a list with their contact details.

## 5. Key Findings

15. The evaluation findings and the evidence to substantiate them are presented below according to the evaluation criteria.

### 1. Relevance/Appropriateness:

#### 1.1/1.2. MDAs and market inefficiencies

16. While the assessments have been useful in determining transfer modalities, they have not been used to develop MDAs in unrestricted cash transfer scenarios. The Malawi VAM unit conducts rapid market analysis focusing predominantly on prices of key commodities and market functionality to inform CBT interventions. In addition, the country office conducts regular market monitoring via the Minimum Expenditure Basket Monitoring, price monitoring (maize and three types of pulses) and household level food security monitoring. According to project staff, monthly price monitoring data informed transfer modalities and led to the country office giving the refugees food instead of cash due to shortages of maize and other commodities on the market.

#### 1.3. Relevance of MDA and related interventions to the needs of the targeted beneficiaries

17. WFP market interventions aim to create and enhance inclusive and sustainable markets in Malawi by establishing the WFP local procurement platform and facilitating smallholder farmers' access to and participation in these markets. Respondents acknowledged that MDAs targeted well the needs of the beneficiaries and the different stakeholders supported by the interventions. In relation to smallholder producers, project staff said that the interventions helped them to be paid higher rates for their products than the standard rate offered in the market, which tends to be low. This was accomplished, as WFP was the one buying from the producers, instead of the local vendors. It was also said that WFP has provided farmers with training on water

management and on how to reduce post-harvest losses. Farmers acknowledged that support on water management was greatly helpful, as water is scarce, and they are highly dependent on it for cultivating. Because of the intervention, their water needs were met, and farmers are able to produce their goods. In addition, there was an improvement on the inclusion of farmers in the financial banking system, as access to credit became easier.

18. The project also reduced hunger in the communities and enhanced the production of smallholder farmers, diversifying the food basket and enabling them to provide nutritious food for the beneficiaries. Farmers said that before the project, they did not produce as many food varieties. By buying the farmer's production at a higher rate than market traders, WFP enhanced their finances, which allowed them to reinvest it in production or diversify their income sources, as there were reports of farmers starting small businesses as well. However, farmer associations consulted were sceptical of the relevance of cash-based transfers in the face of price inflation of commodities on the market as the cash provided (MK 2,000 per person per month) was considered insufficient.

#### 1.4 Are the objectives of the MDAs and related interventions in line with national development policy frameworks for achieving zero hunger

19. WFP staff identified linkages between the objectives of MDAs and the Malawian government newly released 'Vision for 2063'.<sup>11</sup> One of the 3 main pillars in this plan focuses on agricultural production and commercialization. The work being done by WFP in Malawi to shift the self-sufficient smallholder farm model towards a mini agribusiness is therefore in line with the government vision of improving the commercialization of the agricultural sector. By providing home-grown school meals and improving the linkages between farmers and markets, WFP also contributes towards the zero-hunger objective of national development frameworks.

#### 1.5. How can WFP enhance relevant market development programming in the country context?

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<sup>11</sup> 2021 Malawi's Vision: An Inclusively Wealthy and Self-Reliant Nation. Malawi 2063.

Despite the positive feedback given on the project's relevance, varied project stakeholders highlighted areas for improvement. Project staff said that there is work that can be done to improve the supply chain in cooperation with government actors who work with the procurement

According to project staff, MDAs reduced post-harvest losses, as farmers were trained on best practices of storing and handling the produce, which also increased the quality of the goods. The home-grown school feeding project also created a better and more stable market for

The project staff explained *"In an effort to promote the local economy, one would have to take interest (or WFP would have to take interest) to find out what actually leads to price differentiation (locally produced versus imported). Is it the imports legislation that work to the advantage of the importers? Or what's wrong with the locally produced? Is it the local taxes? Or why is the local population preferring the imported goods? Is it an issue of quality? Then WFP can work with the producers to improve quality of the produce so they can compete on an equal foot with the imported ones."*

**To better understand these issues, there must be a periodical and continuous assessment of the markets.**

and storage of grains. The aim would be to reduce post-harvest losses and increase the efficiency of the logistics of the food. It was also suggested for WFP to investigate certain issues that systematically affect the smooth functioning of different supply chain lines, mainly for commodities of interest.

20. Farmers also acknowledged that the supply chain can be improved, mainly for the transportation of vegetables, which tend to decay rapidly. They said most of them do not have efficient means of transporting the goods, leading to food losses. A possible solution raised is better access to loans to buy a car or a lorry. This way they would be able to deliver the commodities to the markets before they perish.

21. Improved access to climate information was another topic mentioned, as this is a key component that enables farmers to take informed decisions in relation to their produce. A project staff explained: *"Having and understanding of the weather and the broadcast is part of the decision-making process in terms of aiding on what is the best course of action to choose what to grow. This can also help the decision making on how much to sell, when and at what rate."*

## 2. Effectiveness

### 2.1./2.2. Delivered outputs, contribution to outcomes and factors affecting implementation

22. The retailer engagement work and related market development interventions do not have output and outcome indicators that can be used to measure results. The following section assesses the extent to which the retail engagement objectives were achieved as informed by stakeholder consultations. Even though the retailers are not the centre of the activity, they are there to maximise the food and nutrition benefits of the people receiving assistance and through it have their businesses developed as well. Hence, the beneficiaries are at the centre of the retail engagement.

23. **Reduction of post-harvest losses, increased decision-making, bargaining power, and income:**

smallholder farmers by linking them to the school. As schools receive the financial support from WFP to directly buy from the producers, they can make their own decisions on which varieties are best for the meals, which also diversified school-aged children's diet. The buying clubs also brought more bargaining power for farmers and enabled them to get better prices when selling their goods. In addition, income generating activities improved beneficiaries' incomes.

24. According to farmers' perspective, the project was successful in delivering its outcomes through the activities. They said that poverty was reduced, and their economic situation improved because of the support of WFP buying their produce. The establishment of cooperatives also helped farmers to act collectively and construct warehouses, for example, which improved the storage conditions of the goods. Some farmers were able to diversify their income sources by buying livestock, building houses, or oxcarts for rent and maize mills. Some of them also made longer-term investments in their children's future paying school fees.

25. However, a local implementing partner believed the project component that targets refugees has not been delivering the expected results. WFP decided to distribute cash for those beneficiaries, as the organization faced challenges to source maize and other food basket that were to be distributed. WFP staff also explained that cash instead of food distribution enables the refugees to choose their preferred food varieties and delivers a more diversified diet. Nevertheless, the local implementing partner noted that the amount of cash provided to beneficiaries was too small and not sufficient for them to fully cater for the basic needs of their households. He added *"This means that sometimes our goal to ensure that the refugees have food every day is not met because of issues such as this one."*

### 2.3 - What factors are affecting implementation of MDAs and achievement of outputs and their negative or positive contribution to outcomes?

26. In terms of internal factors affecting the implementation of MDAs, project staff noted that the short-term nature of the funding for the programmes negatively impact the outputs and their contribution to outcomes. It was explained that the problem is not the amount of money they receive from donors, but its sustainability. To plan projects with long-term impact and that build resilience and develop sustainability within the communities, donors must provide multi-year funding grants. The staff also added: *"We are not only doing cash-based programs, we have a whole set of activities to build capacity. So, to be able to do something effective with markets, we need multi-year funding that is not necessarily linked to a cash distribution."*

27. Another internal factor highlighted by staff was that the supply chain department should be given more importance in the planning of the MDAs and related budget decisions. The staff explained that because of that, supply chain does not have flexibility to design interventions that would address market dimensions that need to be improved.

28. The efficiency of the supply chain was an external factor mentioned by staff to be an issue. It was said that there is an opportunity lost in terms of value added (which is also connected to food losses). An example was given to illustrate the issue. The staff said that large quantities of mango go to waste in Malawi, instead of being transformed into a drinking or packaged product (such as dried mango). This is due to the challenging environment which impairs the proper functioning of logistics and the ability of markets to absorb the value-addition production.

29. Climate change was an external, negative factor recurrently mentioned by farmers and staff. Malawi is extremely vulnerable to climate shocks, such as floods and dry spells. Pests can also affect the crops. The implementation of some MDAs can be negatively affected by climate conditions, as it can lead to low production of commodities. Farmers said when there is rainfall shortage, the crops fail, and the livestock suffer with consequent insufficient food. The rise in price of inputs also has an impact on the outcomes. On the other hand, vendors offer low prices to purchase farmers' production. As a result, they must sell the production at a loss.

30. As mentioned by farmers, government extension workers constitute a positive external factor that is contributing to the outcomes. Some farmers said the technical advice provided by those actors are helpful to increase their crop productivity.

31. Based on the evidence presented, WFP has had, to a limited extent, a positive effect on improving farmers' and retailers' businesses and their financial security. However, it was clear that COVID-19 had a greater impact on their lives, possibly hindering progress of WFP in building their resilience. As previously discussed in the

report, small producers and retailers are extremely vulnerable to supply chain disruptions and any other shocks within Malawi's context.

### 3. Impact/Contribution

#### 3.1. Changes that the WFP retail engagement and related MDAs contributed to.

32. The retailers were asked to describe the changes they had experienced in the past three years along the market development Key Performance Indicators (KPIs) of *assortment and quality, availability, price, resilience of the supply chain, infrastructure, service, competition, access, and protection*. The frequency and the direction of these changes are indicated in Table 1. Most retailers indicated a positive change in their shop's infrastructure and in the assortment and quality of the goods offered in their shops, which was reported by 15 and 13 respondents respectively out of 28 respondents. Eleven respondents representing fifty percent of the respondents also reported positive changes in the prices of goods. Curiously, marketplace competition worsened in the past three years, as it was the factor with most negative statements (16 respondents). Access to and protection of the shops was the factor with most neutral responses, indicating that there have not been significant changes related to this aspect. Most of the respondents also felt confident about the future and believed the upcoming changes to be positive and beneficial to their wellbeing.

**Table 1: Direction of changes reported by retailers consulted (n=28)**

Name	-	+	0
Changes in assortment and quality in the past three years	9	13	7
Changes in availability in the past three years	13	7	9
Changes in the price in the past three years	10	11	8
Changes in ability to meet demand in the past three years (resilience)	12	7	9
Changes in the state of infrastructure in the past three years	8	15	6
Changes in service in the past three years	5	6	18
Changes in marketplace competition in the past three years	16	9	4
Changes in access and protection in the past three years	2	4	23

+ =Positive change; - =Negative change; 0= No change. In instances when the sum of responses is lower than n, there were qualitative responses that were impossible to categorize into -, +, or 0. The different colours of purple have been

used to differentiate the levels of change. Dark purple is the highest and white is the lowest.

**Source:** Key informant interviews and FGDs with retailers

33. WFP support is clearly one of the main causal factors for the changes experienced, whether negative or positive with 26 statements identifying it as such (Annex 1). WFP support is the second most common causal factor after COVID-19, which widely affected society. The decrease in the ability to meet demand was more of an:

#### (a) Causal links in connection with assortment and quality

35. COVID-19 was the main causal factor that indirectly led to the decrease of the variety and quality of goods (Annex 2). Because of the pandemic, retailers witnessed the decrease in competition and demand and the increase on transportation costs, which affected the variety of goods offered in the shops. Retailers said that because of COVID-19, a lot of shops had closed. In a certain location, only 10 out of 27 maize traders managed to maintain their businesses.

36. Customer demand steeply declined because of COVID-19 and the financial constraints that came with it. With the suppliers' prices elevated, retailers also had to increase the price of goods in their shops, which resulted in lower demand from the customers, who were also suffering the financial effects of the pandemic.

37. The movement restrictions imposed by COVID-19 resulted in an increase of transportation costs. As a result, retailers also had to increase the prices of the products on their shelves to cover the extra costs while still making a profit. However, it was noted that this increase in transportation costs was also a result of a spike on fuel prices.

38. The change in all those factors directly affected the variety of goods offered in the shops. Even though COVID-19 decreased competition, some retailers said that with the arrival of a certain retailer in the community, they could not buy all the varieties of grains they used to buy, as the competitor was offering the farmers a much better rate for the products. As retailers could not match that price, they were only able to offer maize.

39. The quality of goods was positively and negatively affected by the types of inputs utilized and COVID-19 respectively. According to respondents, the pesticides and the types of seeds utilized in the cultivation boosted the quality of the crops. As COVID-19 deteriorated many people's financial situation and put some out of business, most farmers harvested their maize before it was sufficiently dried to make some income. An interviewee explained that this also causes herd behaviour among the smallholders: "If one farmer starts to harvest, the rest follow suit because of the fear of having their produce stolen if it

34. effect, since in 30 cases it was identified as one and 0 times it was identified as a cause. Similarly, the decrease on sales was mostly the result of the changes, as they were mentioned more than double of the times as an effect than a cause. The leading cause for changes, however, was COVID-19, with 80 statements.

#### 3.1.1. Perception on how the change for each attribute has occurred in the past 3 years

##### b) Causal links in connection with availability

40. According to the causal map on the availability of the goods (Annex 3), there has been an improvement in the stock capacity of the retailers. The main factors that led to that change were the weather, increase on demand, types of inputs utilized, and growth in business.

41. Respondents reported that the improved availability of maize was due to the sufficient rainfall they had in the past years. They also attributed the good yields rate to the usage of good agricultural practices, fertilizers, and hybrid seeds.

42. Despite the COVID-19 pandemic having a negative impact on the economy, over the past year retailers noticed an increase in demand, mainly for legumes. The improved demand enhanced the cash flow and income, which enabled them to reinvest the money in the business and diversify the assortment of products offered.

##### c) Causal links in connection with price of products

###### **Box 1: Retailers' explanation on the increase of sales on credit**

*"Since last year, there are more people buying goods on credit, as COVID-19 has crippled many people's finances." (Retailer)*

*"Some people come at night at my house telling me that they do not have food, so I offer them to buy at credit and give me the money later. Since COVID-19, there are more people asking to buy on credit." (Retailer)*

*"In 2020, more have been buying on credit because a lot of them have been complaining that they do not*

43. The main causal factors related to the increase of the prices of the suppliers are government taxes, and transportation costs linked to COVID-19 (Annex 4). Respondents attributed the high prices of maize to the introduction of Value Added Tax (VAT) by the government. As previously discussed, COVID-19 restrictions also played a role in increasing transportation costs, which had to be compensated in the price of the final product. A retailer added: "Suppliers especially for maize, hike prices whenever fuel prices rise." Some retailers also noted they must travel long distances to acquire the products, which naturally

increases its price so they could make a slim margin of profit.

#### d) Causal links in connection with resilience in the supply chain

44. The causal map on [Annex 5](#) shows that the ability to meet demand has been mostly affected in a negative way by the high market prices, low capital, and refugee policy. The increase on the prices on the supply side, linked to the low capital capacity of the retailers to purchase new stock, decreased their ability to meet demand. A retailer explained: *"The main reason for the decline is lack of capital amongst traders/retailers because of the increase in costs and the devaluation of the kwacha over the years."* According to reports, one of the main reasons for the capital reduction was COVID-19 that reduced demand, slowed down the business and, consequently, decreased retailer's income. Some also noted that with the lower amount of income, they are forced to prioritize other things than the shop, such as basic household needs or school fees.

45. The new government refugee policy affected in particular refugee retailers who operate within the camps. According to reports, their ability to meet demand was reduced because of the scarcity of produce due to the restrictions of movement imposed on refugees. A participant detailed the situation and said that if the goods were scarce, they would procure from Mchinji, Kasungu and Dedza. However, since the new government under Tonse Alliance came into power, refugees have been banned from going outside the camp to acquire produce thereby affecting their ability to meet market demand.

#### e) Causal link in connection with infrastructure

46. The evidence to demonstrate the main factors that led to a change on infrastructure is weak, as the number of statements per link are low ([Annex 6](#)). Nevertheless, this report will explore the causality between them. WFP support and the consequent growth in business, partnerships and capital were the main factors contributing towards the enhancement of retailers' infrastructure.

47. Through WFP support, retailers were trained in business management skills. An interviewee acknowledged he acquired useful abilities that were essential for his business growth. He said that with the money he makes with the shop, he can provide food and other necessities for his household. In addition, the money retailers got from working with WFP has enabled them to save and apply for loans, which was then utilized to expand their business infrastructure. For example, there were reports of retailers considerably expanding their storage space.

48. One of the retailers said he was sharing the space and the renting value with other two people. With the

shared expenses and consequent reduction of fixed costs, they were able to make a collective effort to improve the infrastructure of the shop. He reported that *"joining forces with two more people in renting the shop, has made these changes in the infrastructure possible. We managed to paint as well as fix the leaking roof with new iron sheets and covered the holes in the floor with cement."*

#### f) Causal link in connection with customer services

49. The end results related to the changes in customer experience were that more customers buying on credit at the shops and longer waiting lines. Both results have a direct link with COVID-19, as it was the main factor that led to the results ([Annex 7](#)).

50. COVID-19 has worsened individual's financial conditions. With people struggling financially to buy basic goods at the shops, retailers started to sell the items on credit and customers would pay later, when they have the money (see Box 1 for quotes related to the issue).

51. Another consequence of COVID-19 were the protocols implemented to avoid the spreading of the disease. Retailers said that the protocols have increased the waiting lines, as only a limited number of people are allowed inside the shops at once. To minimize physical contact, the number reported varied from one to three customers allowed inside.

#### g) Causal link in connection with competition

52. COVID-19 was the main underlying cause for the decrease in competition, as shown on the causal map in [Annex 8](#). The limitation and crisis that came along the pandemic led a lot of traders out of business. Thus, retailers noted that competition has decreased, as some traders were not robust enough to get through this harsh period. WFP staff noted that Malawi is extremely vulnerable to shocks and any disruption in the supply chain affects mostly the small traders and retailers. As an example, a retailer said that some traders were extremely reliant on suppliers from Mozambique, but once the borders were closed, they were led out of business.

#### h) Causal link in connection with access and protection

53. As previously mentioned, few changes on shop's accessibility over the year were reported. Only six respondents acknowledged changes in any direction. However, it is still noteworthy to discuss on which basis these changes occurred. On the access causal map ([Annex 9](#)), accessibility was mainly affected by factors related to shop's infrastructure and shops closure.

54. A retailer explained that access to the shops has declined over the past three years especially for suppliers who utilize big trucks. The roads connecting the shops to the main roads and bridges are in poor conditions due to lack of maintenance and rehabilitation in the past years.

As a result, some suppliers who transport the products in large trucks started avoiding the route, which also lowered the supply of products in the market.

55. However, on the consumer side, access had a better turn. Retailers said that more customers started to come to their shop especially after they had relocated to better areas. They also provided customers with a parking space for cars. On the other hand, a retailer said that accessibility to his shop worsened because he lost his physical space and had to become mobile to maintain the business running. Nevertheless, customers have difficulty finding the retailer because he is no longer close to major routes and his location may change from time to time.

### 3.2. Perceptions of how the overall business has changed over the past three years

56. Retailers consulted provided their perceptions on how their business had changed over the past three years in terms of increased growth and income. In Table 2, the robustness of causal links (1 in total) between the support of WFP and growth in business and performance indicates that the causal connection is weak. Hence, interventions of WFP or the cash injected into the economy by the organization most likely did not lead to significant development for the retailers. The robustness of the connection between the changes in sales and WFP support was slightly higher, but still not significant enough. Changes in income was a factor that showed no connection to projects of WFP.

**Table 2: Robustness test on how overall business changed**

Robustness test	WFP support [E]
Growth in business and performance	1
Sales	6
Income	-

**Source:** Key informant interviews and FGDs with retailers

57. Even though retailers did not explicitly mention WFP, they said that because of NGOs external assistance in the communities (mainly with CBTs), business and sales improved for the time of the support.

### 3.3. Stakeholder perceptions on the role of MDAs

Table 3 shows that WFP support has a robust causal link with the increase of queues in retailer shops (26 links). The variety and quality of the goods show a medium to weak causal connection to WFP support, with seven and eight links respectively. Customer and payment services, changes in prices present a weaker link, indicating low effect of WFP on these factors.

**Table 3: Robustness test on how stakeholders perceived the changes related to MDAs**

Robustness test	WFP support [E]
Price (Retailers)	2
Price (High prices; suppliers)	3
Quality (Variety)	7
Quality (Quality)	8
Services (Payment services)	1
Services (Customer service)	1
Services (Queues)	26

**Source:** Key informant interviews and FGDs with retailers

#### Box 2: Retailers' experience with WFP and its effects on demand

*"The availability of the products in my shop improved from 2018 to 2020 because, as I started working with WFP, the demand for products like (flour, rice and oil) increased in my shop, and we started buying products from South African suppliers."* Retailer

*"Before signing the contract with WFP, I had low number of customers. When WFP and other organizations signed contract with me in order to attend the beneficiary need my business improved because the number of customers increased. In the past I had difficulties in selling the same quantity of products I sell now."* Retailer

58. Retailers said once they started working with WFP, demand increased as the beneficiaries were coming to their shops to purchase items they needed (with support from WFP through CBTs). The increased number of beneficiaries also enabled retailers to increase their stocks to meet high demand (see Box 2 for retailers' experience with WFP and the effects of increased demand). Moreover, they increased the assortment offered in their shelves to meet the different needs identified among customers. The increase in customers required retailers to enhance the quality of items offered. On the other hand, the unexpected considerable increase in customers also increased the waiting lines in the shops.

### 3.4. Stakeholder perceptions on positive/negative effects of WFP MDAs

59. According to retailers, WFP support had a positive effect on several spheres of their businesses and lives. As shown on the causal map on [Annex 10](#), WFP assistance mainly improved community well-being and inputs



capacity for cultivating. In addition, WFP support also improved retailers' savings, business capital, and food security.

60. It was said that the provision of CBTs and food transfers enhanced the well-being of the households and the community, as beneficiaries were able to acquire basic items they needed. The intervention also improved the targeted individuals' food security, enabling them to have better diet and nutrition.

61. Even though WFP was not explicitly mentioned, the training provided by NGOs taught farmers how to improve their agricultural practices to improve yields and the external aid provided also enabled them to make more income and reinvest it in inputs for better production of goods. WFP staff (from the non-QuIP interviews) noted that the Village Savings and Loan project improved beneficiaries' (mainly women) savings capacity. Representatives from farmers' associations acknowledged the benefit brought by the project and added that it improved their profits. Retailers also reported that the quality of the goods purchased from the suppliers has increased, which could be an effect of the use of enhanced agricultural inputs.

62. Retailers noted that they improved their businesses utilizing savings that were only possible due to external assistance. They explained that with the organization's support,<sup>12</sup> their income was improved, and, with it, they reinvested in their shops.

## 4. Sustainability

### 4.1. Sustainability of MDAs results after the end of external assistance.

63. WFP programme staff opinions related to the sustainability of the MDAs interventions were divergent. Some believed that there is high potential for the activities to continue after WFP is removed from the equation, as it was said that sustainability is a key part of the organization's strategy. On the other hand, some staff believed if their programming approach does not change, then it is unlikely that the results will be maintained. The approach has to be changed towards more contextualized and inclusive interventions that aim to promote inclusive growth, mainly with small and medium businesses and producers. Similarly, a local implementing partner also said that the chances the intervention will be sustainable are low if WFP does not promote more capacity building activities that foster an autonomous behaviour and ownership feeling within the communities. Farmers, however, believed the results of the external assistance from WFP will be sustainable.

64. WFP programme staff noted that to guarantee the long-lasting effects of the interventions, the termination of

the external assistance must be planned into different levels. There must be an understanding of which activities can be terminated sooner, such as CBTs, and which ones must be carried and monitored for longer, such as capacity building or income generating activities. It was said that *"WFP must phase out from the communities slowly, with a transition period and an assessment to determine what can be suspended and at which stage"*.

### 4.2. What are the key factors that affect negatively or positively the sustainability of MDAs, including political, economic, and social factors?

65. WFP staff said that one of the factors that negatively affect the sustainability of MDAs is the vulnerability of smallholder producers, supply chain, and markets to shocks. For example, every two to five years, the country experiences an environmental shock, making it difficult for smaller producers and businesses to cope. Another example was COVID-19 that negatively affected smallholder farmers, even with a WFP intervention in place. Thus, it jeopardizes the sustainability of interventions of WFP, as with every shock, the progress is partly lost.

66. Government is a key factor to guarantee the sustainability of the efforts of WFP as well. According to staff, it is imperative that the government keep controlling the prices of maize to guarantee farmers are paid fair prices for the production. The government needs to maintain and expand the reinforcement of the prices, policing and fining traders who pay below the market rate.

67. An external factor that could positively affect the sustainability of the MDAs is land reform. A WFP programme staff explained that if the current government considered land reform, it would be a game-changer, as it would guarantee access to land to more people. A local implementing partner was of a similar opinion, saying this could be especially important for CBTs refugees' beneficiaries (and non-beneficiaries as well), who do not own land. He explained: *"If there was enough land for the refugees, then sustainability would have been a possibility because then they would have engaged in agricultural production on whatever scale required to improve their wellbeing."* Access to land also affects refugees differently, as opposed to nationals, as by law they are withdrawn from the right to have access to land or freely use it.

68. Farmers said that a positive factor that contributes towards the sustainability of the results was the improved access to water. It is not feasible to depend on rain to grow the crops, as there might be rainfall shortage. Thus, it was said that the water management project provided the communities with a stable source of water to grow rain-fed varieties. In addition, this also encourages smallholder

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<sup>12</sup> Note that WFP was not explicitly mentioned

farmers to keep producing, as the risk of losing their crops was steeply reduced.

#### 4.3. Are the factors different for different actors, men, women, rural, urban, etc?

69. According to WFP staff, due to cultural factors, women are affected differently, as they are more vulnerable, and men are usually the ones who have control over the assets. Geography is also a challenge that affects remote and rural areas more, in terms of reduced access to inputs and markets. Small business owners and producers are more susceptible to shocks, as they heavily rely on the supply chain, mainly in rural areas. Hence, any disruption on the supply chain, directly affects smallholders and business owners to find markets, sell their production and make an income.

### 6. Conclusions

70. **Conclusion 1:** In Malawi unrestricted cash objectives of supply chain should revolve around maximizing purchasing power of beneficiaries, optimizing shopping experience, meeting nutritional goals, and contributing to market efficiency and resiliency. Although the country office conducts several market assessments and price monitoring, they are yet to develop suitable MDAs for market actors based on detailed market diagnosis.

71. **Conclusion 2:** Despite the several price and market monitoring exercises done in Malawi, these have not been adequate in informing MDAs in unrestricted cash.

72. **Conclusion 3:** Although this could not be verified by the evaluation team, the project staff who were interviewed indicated that MDAs reduced post-harvest losses as farmers were trained on best practices of storing and handling the produce, which also increased the quality of the goods. The home-grown school feeding project also created a better and more stable markets for smallholder farmers by linking them to schools. The establishment of cooperatives also helped farmers to act collectively and construct warehouses, for example, which improved the storage conditions of the goods.

73. **Conclusion 4:** The short-term nature of the funding for the activities often linked to crisis response negatively affected outputs and their contribution to outcomes as in Malawi. Funding of MDAs should not be subjected to funding seasonality if they are to have a sustainable impact.

74. **Conclusion 5:** The cash injection from WFP did not contribute to growth in business and performance in Malawi. Even though retailers did not explicitly mention WFP, they said that because of the external assistance of NGOs in the communities (mainly with CBTs), business and sales improved for the time of the support. Changes in income were a factor that showed no connection to the projects of WFP. Hence, the interventions of WFP or the

cash injected into the economy by the organization most likely did not lead to significant development for the retailers consulted.

### 7. Lessons learned

75. A good practice noted by WFP programme staff was the community participatory process to understand their needs, priorities, and the level of land ownership. It also helps to understand the market dynamics of certain communities, such as the main demands of the markets and its capacity of absorbing the production. This is crucial to support the growth of smallholder farmers, mainly if WFP promotes capacity building to enhance yields rate. The staff explained that the aim is for farmers to have excess produce, so they can sell it. However, if there are no markets, farmers will have to consume all the surplus production, which is discouraging and does not support their economic development.

76. WFP programme Staff added that, to see better and long-lasting results of future projects, donors should be educated in the importance of multi-year funding. The short-term nature of most of WFP programmes limits resilience building and community development, as those take longer to demonstrate relevant results. Further, according to WFP staff, certain donors' requirements will not accept that WFP is funded by another donor for the same project or to work in a certain area. In this sense, donors must learn to cooperate to share the humanitarian responsibility and achieve better results.

77. In an unrestricted cash environment as is present in Malawi, all stakeholders stated that UN agencies and NGOs must work together to address issues in a multi-dimensional way, as each agency has its own expertise. A WFP project staff noted that multi-disciplinary approaches add value to the interventions and benefit even more those assisted, as it would target a myriad of issues at once. However, it was said that at times, it can be difficult for different agencies and NGOs to reach a common agreement for a certain programme.

78. An important remark raised by WFP staff was that interventions such as CBTs can slightly change the prices on the markets, hence, the activity not only affects its beneficiaries, but also non-beneficiaries, who could suffer with the change on market prices. It is important that WFP is aware about that and monitors the markets dynamics, to avoid a negative impact on individuals that were not targeted with the support.

79. As previously discussed, WFP staff expressed the concern that interventions should be more contextualized. In that sense, it was said that programming and planning should have a bottom-up approach, instead of the top-down approach that a considerable amount of the projects seem to have. To bring more sustainability to the projects and a longer life

span, the interventions should be more informed by indigenous knowledge.

80. Farmers said that a valuable lesson learned was the importance of the cooperatives. They brought strength to smallholder producers by helping them to bargain for better prices and easily access loans. As a farmer stated, *"There is power in numbers, and we find better markets when we are organized in groups."* This can also improve markets access for them, as a weakness highlighted related to Malawi's context was the lack of markets to consistently sell their production. Farmers also acknowledged that the trainings provided were useful to improving their knowledge of farming and business management, but they would like to see even more capacity building.

81. Finally, the results for Malawi showed that QulP does not capture impact well in unrestricted cash environments, but this has more to do with the fact that retailers are unable to make the link to the source of the cash than it does with the blindfolding approach.

## 8. Recommendations

82. **Recommendation 1:** Despite the benefits brought by the MDAs, the project can still improve. Based on feedback given by several stakeholders, WFP must keep working with the government, retailer, farmers, and other relevant stakeholders to strengthen the supply chain and reduce its vulnerability to disruptions. Alternatively, WFP should expand the linkages between producers and retailers to markets, so they create more localized safety networks for times in which the national supply chain is weakened. In addition, WFP must keep investing in resilience building programming, so that small vendors and farmers can develop their capacities, invest more in their business, and improve income and well-being. Combined, these would assist them to find better coping strategies for times of hardship or shocks.

83. **Recommendation 2:** Advocacy from WFP with the government must be continuous to control the prices of maize and to prevent farmers from being exploited by selling their produce for below the market rates. However, more than setting a standard rate, the government must continue enforcing so that the rates are followed, fining traders who pay lower prices than the established one.

84. **Recommendation 3:** More farmers should be incentivized to form associations, as it has been a successful avenue that enabled farmers to leverage their numbers and be paid fair prices for the goods. In addition, it also facilitates farmers to access markets. Farmers have also cited transportation as a problem that cooperatives may help with. Some reported facing difficulties to transport perishable items, such as fruits of legumes, due to the rapid decaying period. Farmers could also pool their resources to invest in and enhance their own logistics infrastructure, allowing them to distribute commodities more efficiently and reduce food losses.

85. **Recommendation 4:** The short-term nature of WFP funding was also mentioned as an internal factor that does not favour sustainability or long-term results. When possible, the organization must advocate with donors for longer multi-year funding, so a more self-sustaining environment is developed. Furthermore, the WFP must demonstrate to donors the value of grants that are not solely tied to cash transfers, allowing the organization to invest more in capacity strengthening activities, which would have a greater impact on the country's inclusive development. Donors must also understand the importance of cooperating and sharing the humanitarian responsibility. This would be an opportunity to offer grants together, boosting the budgets and aligning efforts.

86. **Recommendation 5:** Similarly, agencies should join efforts more often. As noted by project staff, it can be challenging for different agencies to reach a common agreement on projects. However, the issues that humanitarian and development projects address are multi-dimensional and benefit from the expertise of different agencies.

87. **Recommendation 6:** Lastly, to optimize the sustainability of the project's results, WFP must consider a slow-paced exit strategy. Assessing which activities to terminate first and which ones still need continuity and monitoring until they can be self-sustained is essential to guarantee long-term results.

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### Reference:

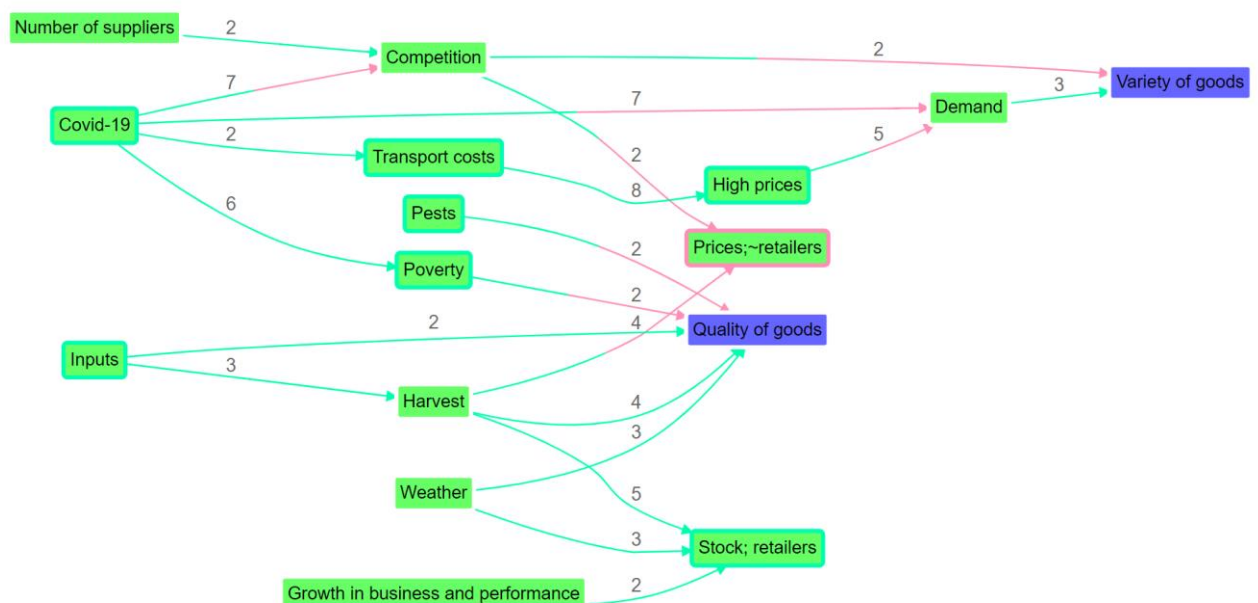
Full and summary reports of the evaluation and the Management Response are available at <http://www1.wfp.org/independent-evaluation>

For more information please contact the Office of Evaluation [wfp.decentralizedevaluation@wfp.org](mailto:wfp.decentralizedevaluation@wfp.org)

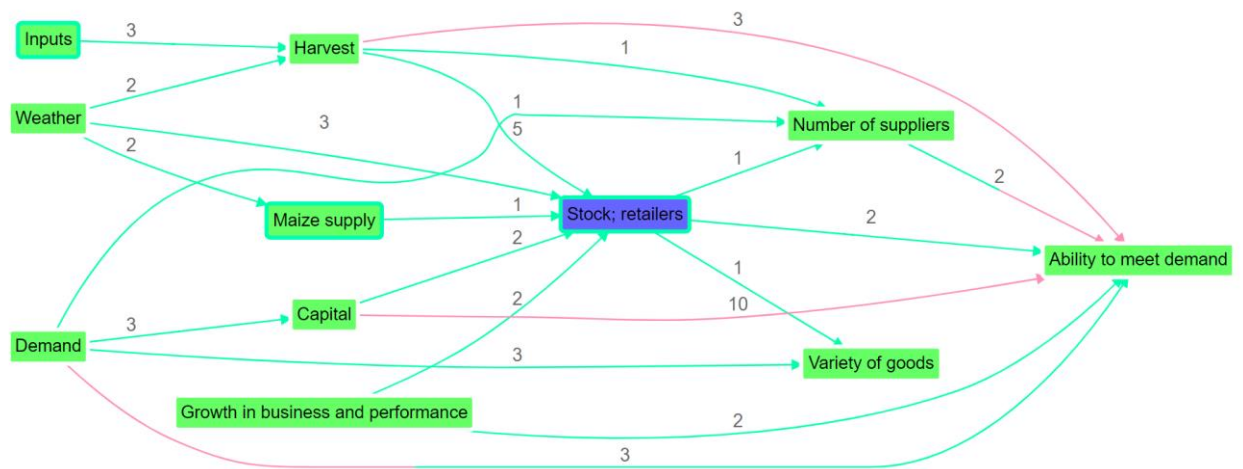
## Annex 1: Table with the top 15 factors that led to change or suffered a change in retailers' business

Factor frequencies <sup>1</sup>			
Showing numbers of links from and to each factor; factors are listed with most frequent first.			
factor	to	from	total
COVID-19	0	80	80
Protocols	26	7	33
~Ability to meet demand	30	0	30
~Sales	19	8	27
WFP support [E]	0	26	26
~Demand	14	11	25
High prices	12	12	24
Harvest	7	15	22
Stock; retailers	15	3	18
~Competition	16	0	16
~Prices; retailers	13	3	16
~Capital	5	10	15
Ability to meet demand	15	0	15
Competition	8	7	15
~Pulses	12	1	13

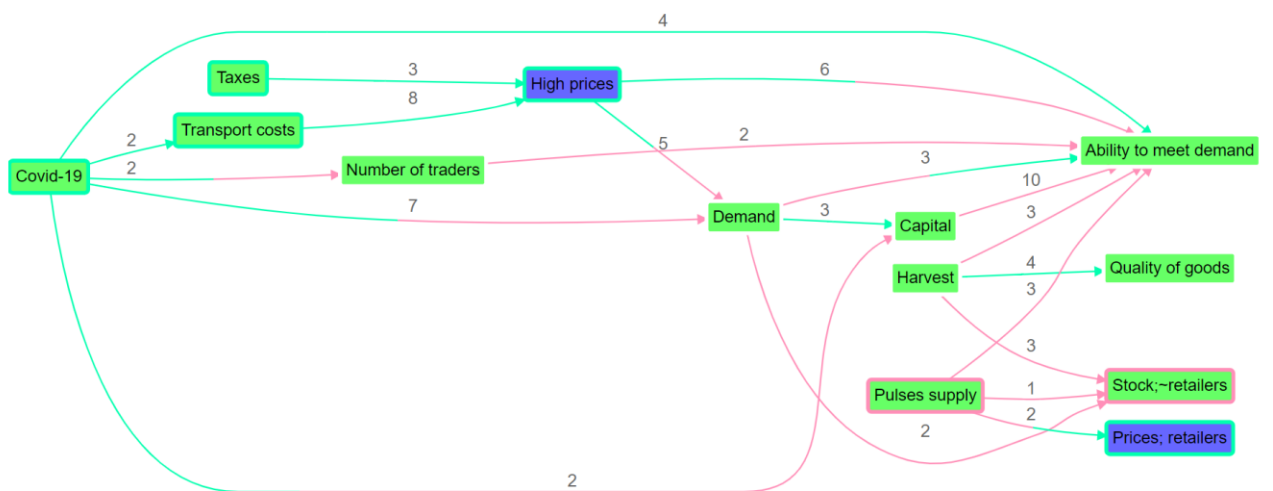
## Annex 2: Causal links in connection with assortment and quality



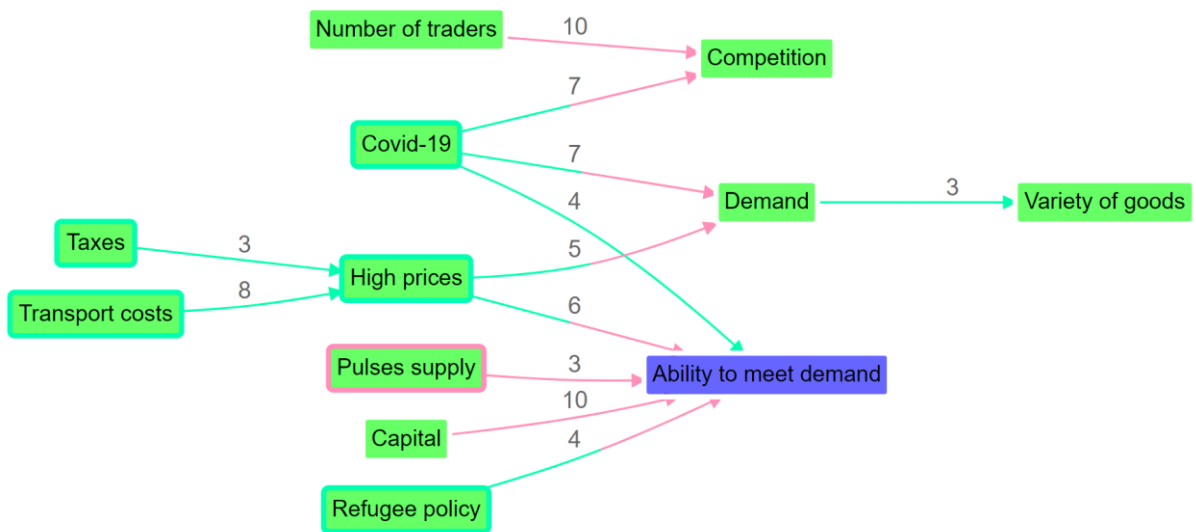
### Annex 3: Causal links in connection with availability



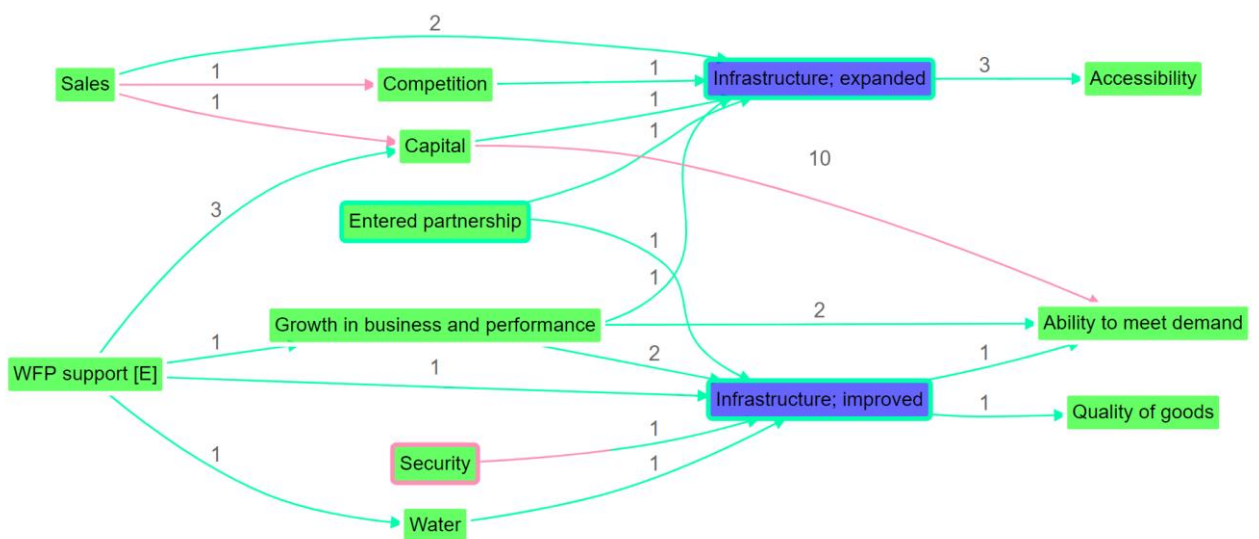
### Annex 4: Causal links in connection with prices of products



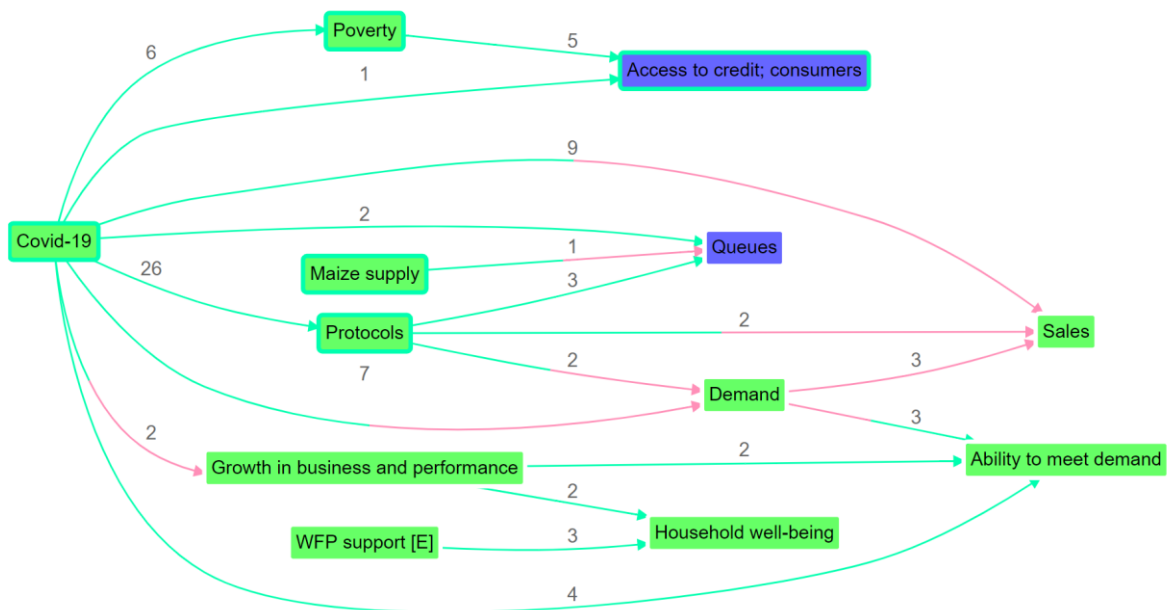
## Annex 5: Causal links in connection with resilience in the ability to meet demand



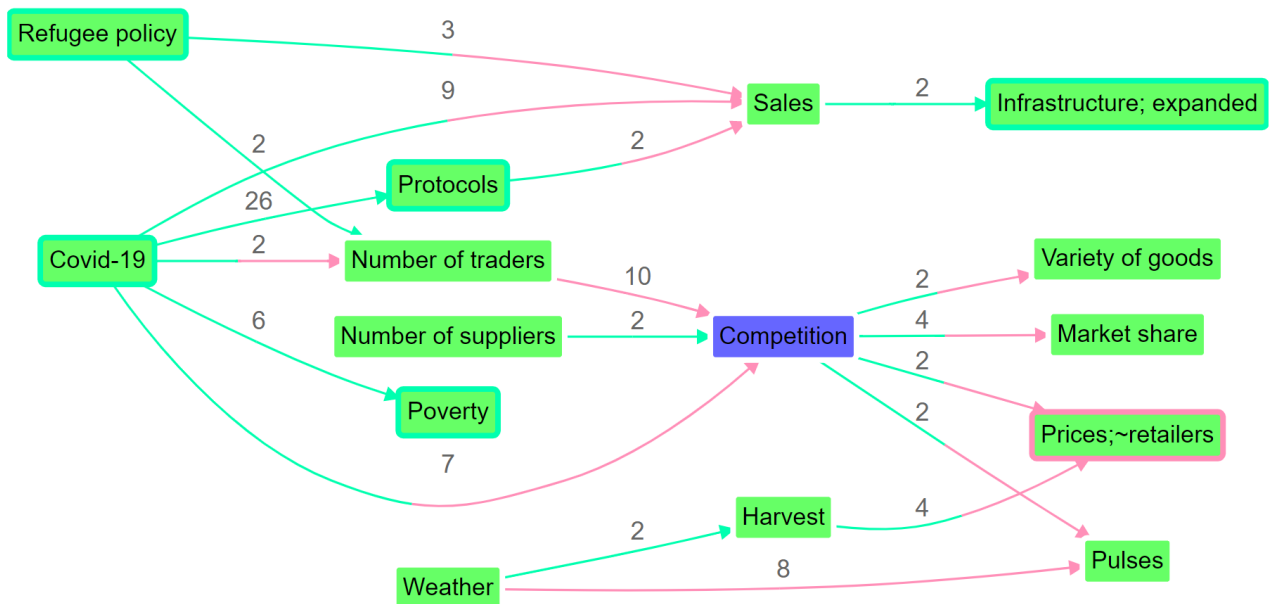
## Annex 6: Causal links in connection with infrastructure



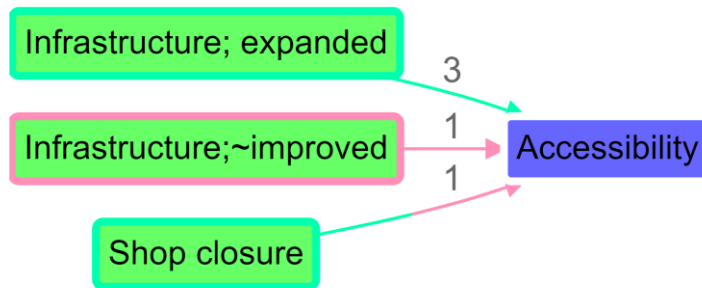
## Annex 7: Causal links in connection with customer services



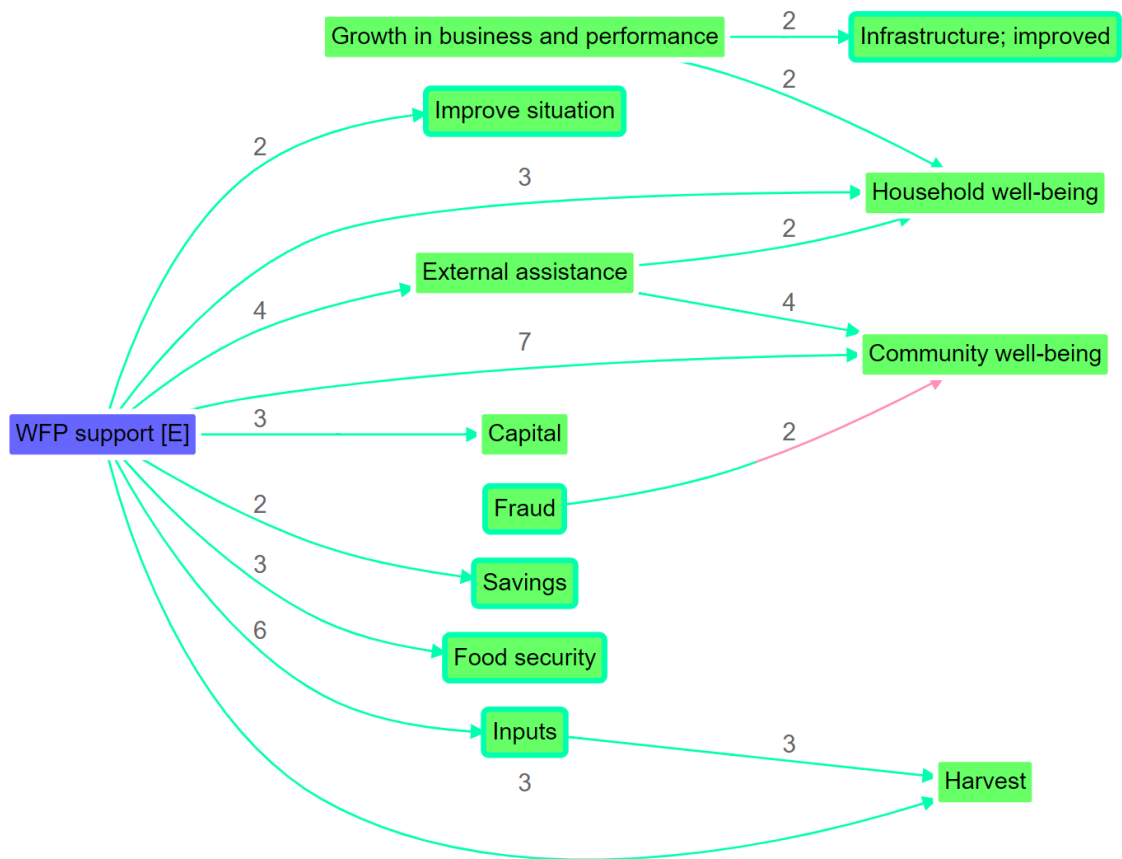
## Annex 8: Causal links in connection with competition



## Annex 9: Causal links in connection with access and protection



## Annex 10: Links on stakeholder's perceptions on positive/negative effects of WFP MDAs





## Annex 11. List of stakeholders consulted

	Gender	Designation	Organisation	Location
1.				Balaka
2.				Nsanje/ Mtowe
3.			Chimbiya Piggery Cooperative	Dedza
4.			Plan Malawi	
5.		Project Stakeholder		
6.		Program Officer	WFP	
7.		Program Policy Officer for Cash Based Transparency	WFP	
QUIP- KIIs with Retailers				
District	Retailer		Gender	Location
<b>Dowa</b>	1.	0401 Maize, Rice, Pulses and Baking Flour Trader	M	Dowa/ Dzaleka Inside Camp
	2.	0402 Maize and Beans	M	Dowa/ Outside Camp
	3.	0403 Maize and Pulses Trader	M	Dowa/ Mponela
	4.	0404 Maize Trader	F	Dowa/ Dzaleka Camp
	5.	0405 Beans and Rice Trader	M	Dowa/ Dzaleka Camp
	6.	0406 Maize Trader	M	Dowa/ Mponela
	7.	FGD 4		Dowa, Dzaleka Camp
	8.	FGD 4a		Dowa
<b>Dedza</b>	9.	0301 Maize Trader	M	Dedza/ Msikawanjala
	10.	0302 Maize Trader	F	Dedza/ Chimbiya
	11.	0303 Maize Trader	M	Dedza/ Chimbiya

	12.	0304 Maize and Pulses Trader	M	Dedza/ Msikawanjala
	13.	0305 Maize, Rice, Common Bean, Soybean Trader	M	Dedza/ Chimbiya
	14.	0307 Maize Trader	M	Dedza/ Chimbiya
	15.	FGD		Dedza
<b>Balaka</b>	16.	0201 Maize, Pulses and Farm Inputs Seller	M	Balaka/ Phalula
	17.	0202 Cooking Oil and Groceries	M	Balaka/ Phalula
	18.	0203 Maize and Pulses Trader	M	Balaka/ Mbela
	19.	0204 Maize Trader	F	Balaka/ Phalula
	20.	0205 Household Groceries and Maize Trader	M	Balaka/ Mbela
	21.	0206 Maize Trader	M	Balaka/ Mbela
	22.	FGD		Balaka
<b>Nsanje</b>	23.	0101 Maize and Pulse Trader	M	Nsanje/ Marka
	24.	0102 Maize and Pulses Trader	F	Nsanje/ Marka
	25.	0103 Maize Trader	M	Nsanje/ Mtowe
	26.	0104 Maize Seller	M	Nsanje/ Marka
	27.	0105 Maize and Beans Seller	M	Nsanje/ Mtowe
	28.	0106 Maize, Beans and Cooking Oil Seller	M	Mtowe
	29.	FGD		Nsanje

## Annex 12 List of Acronyms

ACR	Annual Country Report
CBT	Cash based transfers
CO	Country Office
COVID-19	Coronavirus Disease 2019
CSP	Country Strategic Plan
ECHO	European Commission for Humanitarian Operations
FGD	Focus Group Discussion
HQ	Headquarters
IPC	Integrated Food Security Phase Classification
KPI	Key Performance Indicator
MDA	Market Development Activities
MK	Malawi Kwacha
NGO	Non-Governmental Organization
QuIP	Qualitative Impact Assessment Protocol
UN	United Nations
UNICEF	United Nations Childrens Fund
UNHCR	United Nations High Commissioner for Refugees
VAT	Value added tax
WFP	World Food Programme