



ECRP Consortium

ANNUAL REPORT

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ACRONYMS

AA	Action Aid
ADC	Area Development Committees
ADRA	Adventist Development and Relief Agency
AGRICANE	Agricultural Development and Management Consultants
CA	Christian Aid
CADECOM	Catholic Development Commission in Malawi
CARD	Churches Action in Relief and Development
CARE	Cooperative for Assistance and Relief Everywhere, Inc.
CARLA	Climate Adaptation for Rural Livelihood and Agriculture
CCA	Climate Change Adaptation
CEPA	Centre for Environmental Policy and Advocacy
CISONECC	Civil Society Network on Climate Change
CSAE	Climate Smart Agriculture Expert
CU	Concern Universal
DCCMS	Department of Climate Change and Meteorological Services
DEC	District Executive Committee
DFID	Department for International Development
DoDMA	Department of Disaster Management Affairs
DISCOVER	Developing Innovative Solutions with Communities to Overcome Vulnerability through Enhanced Resilience - Consortium led by Concern Universal
DRM	Disaster Risk Management
DRR	Disaster Risk Reduction
EAM	Evangelical Association of Malawi
ECRP	Enhancing Community Resilience Programme
EI	Emmanuel International
EWS	Early Warning System
FEDOMA	Federation of Disability Organizations in Malawi
GVH	Group Village Head
HAP	Humanitarian Accountability Partnership/Principles
ICRISAT	International Crops Research Institute for the Semi-Arid-Tropics
LF	Lead Farmers
LTS	Name of the M&E consultancy firm, appointed by DFID
MALEZA	Malawi Enterprise Zone Association
MANGO	Management Accounting for Non-Governmental Organisations
MIS	Management Information System
M&E	Monitoring and Evaluation
MoAFS	Ministry of Agriculture and Food Security
MOU	Memorandum of Understanding
NAP	National Agriculture Policy
NAPA	National Adaptation Plan for Action
NGO	Non-Governmental Organization

NSO	National Statistical Office
PMU	Programme Management Unit
ROLEC	River of Life Evangelical Church
SCM	Steering Committee Meeting
SOP	Standard Operating Procedure
TA	Traditional Authority
TCCC	Technical Committee on Climate Change
ToT	Training of Trainers
TWG	Technical Working Group
VDC	Village Development Committees
VSL	Village Savings and Loans
WALA	Wellness and Agriculture for Life Advancement

1. INTRODUCTION

This annual report is for the period April 1st, 2012 to September 30th, 2012, and provides a snapshot of key programmatic, financial and administrative achievements, challenges and mitigation actions undertaken by the ECRP consortium.

This is an annual report, but only covers a period of six months. All tables within the report therefore report on activities and actions over these six months, although the title of a table may be 'annual'.

The report comprises of 12 main sections: (i) programme objectives (ii) executive summary including beneficiary targets reached, (iii) Achievements and results during the first two quarters, arranged according to the programmes 5 key outputs (iv) Issues, challenges and mitigation actions, (v) Management issues and actions, (vi) Lessons Learnt and case studies, (vii) Monitoring of risks, (viii) Financial issues for past period, (ix) financial reports for past period, workplans for upcoming years, the annual budget as well as the report on the past workplan.

2. PROGRAMME OBJECTIVES

The programme aims at contributing to the attainment of the Hyogo Framework for Action by halving disaster losses and increasing communities' resilience to climate change by 2016 in Malawi. This will enable households to build resilient livelihoods that are sustainable and profitable, incorporating natural resource management and risk reduction, increasing adaptive capacity and enabling vulnerable households to have a voice in decisions affecting them.

Programme Impact: Reduction in the existing and future risks caused by natural hazards and climate change and strengthened capacity of vulnerable communities to cope with current risks or adapt to new ones.

Programme Outcome: 305,000 people within 7 vulnerable districts in central and southern Malawi have developed their capacity to increase resilience to climatic risks.

Key Programme outputs:

The programme is working to ensure that:

1. The capacity of local authorities, communities and individuals to address the impacts of climate change is increased

2. The capacity of communities and individuals to adapt their livelihoods to climate variability and the impacts of climate change and to disasters is increased
3. Information sharing between stakeholders on DRM and climate change adaptation is strengthened
4. The capacity of disaster risk reduction and climate change policy and programmes and delivery structures of key Government Ministries and Departments is strengthened

3. EXECUTIVE SUMMARY

Progress in the first two quarters of the implementation period has been slower than expected as a result of teething problems associated with programme start up. These have been addressed and we anticipate being on track with all programme areas by March 2013. Despite the slow start ECRP has been able to achieve a number of its activity targets which demonstrate both the potential of the programme and the commitment of our partners. Significant progress has been seen in lead farmer identification, conservation agriculture roll out and Village Savings and Loans (VSL) association development.

This report will highlight lessons learned in the first two quarters, challenges encountered and mitigation measures that have been developed. The outlook for Q1 (Oct-Dec 2012) is a relative increase in implementation and expenditure, and by Q2 (Jan-March 2013) the programme will be on track with targets for activities and expenditures.

The main learning from the slow start is that there was an underestimation overall of the amount of human resources required in the field for implementation, and for monitoring and evaluation linked to collecting data for the MIS and other tasks. To address this, the plans and budgets for year 2 show an increase in the numbers of direct staff; but within the original budget. This increase will accelerate roll-out of programme activities and expenditure.

The Financial status, ECRP has a total grant of 10,000,000 of which YTD 1.579.317 GBP has been spent. For the Period of March-September 2012, the forecast was 498.755 GBP of which 285.066 GBP has been spend. This is a 43% underspent for year 1.

Through the monthly expenditure reports from partners, the PMU was able to keep track of the trend and pro-actively work on action plans for year 2 to mitigate this. The decision to increase staff numbers was an example of this in action. The PMU is also developing a policy for underperforming partners/members stipulating actions that can be taken together with the partner/member in time to mitigate an underperforming trend. Again,

this is in response to problems encountered so far. Action Aid has already developed an action plan to address the underperformance of their partners.

The devaluation has played a large role in causing the significant underspent in these two quarters and the trend seems to be continuing. The original budget used an exchange rate of 250mwk/GBP, but we are now working at 500 mwk/GBP, a 100% increase and the rates are continuing to change on a daily basis. So far the programme has been able to positively absorb the exchange gains in strategic areas (HR, M&E, visibility, and programming); but it remains an element of uncertainty that needs ongoing monitoring during implementation.

Programmatically, ECRPhas over-achieved by 15%, its beneficiary target for the main smart agriculture 'entry' intervention of Conservation Agriculture. We have also made significant progress on VSL and have started work on DRR, Agro forestry, early warning systems, irrigation, post-harvest management and livestock.

As partners developed their experience and knowledgeable on the work involved in implementing these interventions, they realized that ECRP was more work-intensive than initially anticipated. As a result, we decided to concentrate efforts on VSL and Conservation Agriculture implementation during Q1 and Q2 contributing to the current results, rather than spreading it across all programme areas.

Looking at it from a district perspective, we have seen that achievements of the different interventions is at different paces, and this has been due to different needs, but also to different levels of expertise amongst the partners. In Mulanje and Thyolo for instance, the focus has been on VSL and CA but they also started preparatory work on irrigation. In Chikwawa on the other hand, they made good progress on CA, VSL and started some DRR. In Nsanje partners were able to start some VSL, CA and agro forestry. Partners in Kasungu concentrated on VSL, CA and Agro-forestry, while in Mwanza the main activity is VSL and in Machinga beneficiaries have enrolled in VSL and are participating in CA.

Direct beneficiaries:

The number of direct beneficiary household planned for the first year (up to March 2013) of implementation is 30% of the overall programme target of 61,800 households. The number of households reached i.e. enrolled to participate in the various ECRP interventions indicated below. As seen from the below table 1, in quarter two activities picked up and significantly more progress was made. It is expected as indicated above, that this trend will continue into year 2.

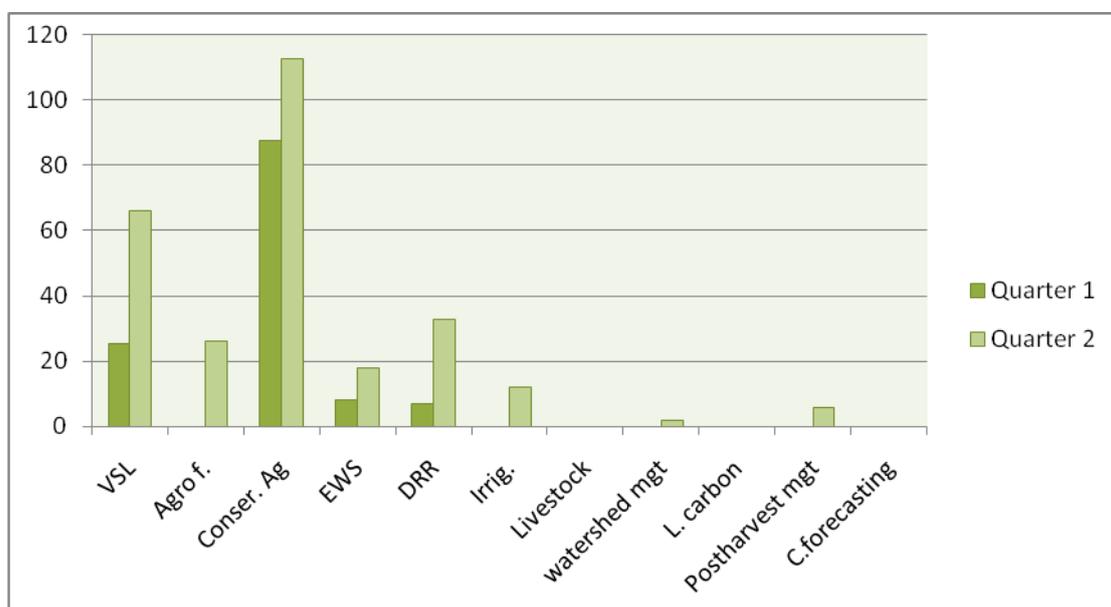


Table 1: ECRP Direct Beneficiary Reach Per intervention (%) Against Targets: April 2012 - Sept 2012 cumulative, (note that Q2 results are cumulative)

Monitoring & Evaluation: The baseline-survey has been completed successfully. Outcomes were discussed and the log frame was adapted accordingly. The working relationship with LTS, which is shared with DISCOVER has also been clarified. The MIS, which field officers will use to report activity data is still work in progress; but a key set of indicators, some in sync with DISCOVER have been identified. In the meantime data is recorded manually. It is expected that the switch from manual to MIS will happen in Q1 of year 2.

Mis-use of funds: ECRP experienced a fraudcase with its partner MotherCare managed by Action Aid. Action Aid took rapid and relevant action and as an end-result MotherCare is no longer part of the consortium. This case and the actions taken by CA and Action Aid were reported to DFID promptly.

Nsanje district implementation is weak with an underspend of 63% overall for the past 2 quarters (Q1 56% and Q2 70%). Action Aid has responded with an action plan that covers a short term plan to continue implementing MotherCare’s work though Action Aid field staff and a capacity support plan for Ruo who also significantly under performed. The action plans consists of hiring more qualified and relevant field staff to be able to do the ground work, adding capacity for the M&E work, it also includes the purchase of a generator to ensure office-work can continue during the frequent power outages etc.

Complementing these actions, Action Aid is also developing a support plan for its partners in Nsanje that will monitor and support the work. Technical Leads are also made aware of the challenges in Nsanje and will spend the necessary time in Nsanje to give technical support. The full details of this action plan can be found in annex

During this first six months of implementation, the **Technical Working Group** was developed under guidance of the Head of Programme (HoP) and brings together the Technical Leads, District Coordinators and technical support partners (Agricane, ICRISAT AND Toughstuff) to ensure coordination on processes, quality standards and approaches within the consortium.

4. ACHIEVEMENTS AND RESULTS DURING THE PERIOD

4.1 Progress at the Impact Level

Impact refers to the positive changes in the lives of the people. ECRP’s impact objective is the **reduction in extreme poverty and hunger in its targeted areas**.

Reduction in extreme poverty and hunger in its targeted areas.	Baseline indicator	Progress to date
% of population living on or less than 1 USD a day in its target areas	90%	n/a
Average number of food insecure population in ECRP targeted areas	80%	n/a

4.2 Progress at the Outcome Level

ECRP’s outcome objective is increased resilience of vulnerable communities to climate variability and change in its targeted areas by June 2016. Progress on this will be measured by assessing the indicators in the table below. No noticeable progress has been made on this during the reporting year.

Outcome indicators	Baseline indicator	Progress to date
Level of real household income by source for targeted beneficiaries (disaggregated by household headship)	409 US\$ (67,485mwk)	n/a
Average capital asset value per household (in USD) disaggregated by household headship		n/a

Number of districts, TAs, and GVH's in the target areas that have up-to-date DRM plans or contingency plans	Districts: 0 TAs: 0 GVHS: 0	0
Number of people (and % of households) within the targeted communities that passed through at least 9 months with adequate food	43% of hhs	
% of HH using a combination of at least three types of climate change and DRR transformative strategies	49%	
Average length of time households' livelihood take to recover fully after a climate related shock (e.g. drought/dry spells, floods/hailstorms, etc.)	120 days	
% of beneficiaries using one or more of the unsustainable (destructive / undesirable) coping mechanisms	62% of hhs	

4.3 Progress by Output/ Progress by Activity

Overall achievements

ECRP, in the reporting period, has made good progress on program interventions starting with a successful program of capacity building for implementing partners. Training for partner trainers have been conducted on all program interventions (DRR, contingency planning, conservation agriculture, community seed systems, small scale irrigation, post-harvest management, agro forestry, and VSL) except solar energy, fuel efficient stoves, livestock and weather forecasts. The fuel efficient stoves, livestock and weather forecasts have not yet been done because they were planned for the period starting October 2012 either because of their seasonality or because of ECRP's strategy to set the foundation for them through VSL. Solar energy trainings have not yet taken place as ECRP was still in the process of concluding the contract with ToughStuff, the service provider for solar products and capacity building services. However, all these trainings are planned for the period October to December 2012.

ECRP made particular strides on preparatory weather forecasting and information dissemination in the reporting period as targeted communities gear up for the rainy season. In order to enable farmers become weather and climate sensitive and make rightful agricultural decisions, ECRP: (i) has signed a Memorandum of Understanding with the Department of Climate Change and Meteorological Services who will be responsible for down scaling weather and climate information for respective project sites/communities and communicate the same to lead farmers and other relevant stakeholders through a web-based SMS information transfer platform to be managed by the PMU called Esoko; (ii) has planned training on the weather forecasting system in October following the release of the seasonal forecast for 2012/13 by Southern Africa Regional Climate Outlook Forum (SARCOF) in August, 2012; (iii) is in the process of securing a contract with Esoko to purchase an Esoko subscription in order to push weather information to 500 farmers in the 2012/13 rainy season; and (iv) has its partners

engaged in the process of profiling lead farmers and other stakeholders who will be receiving the daily, 3 days, 5 days and 10 days weather bulletin.

With this innovative way of ensuring farmers receive the weather-forecast, ECRP is adhering to one of the important characteristics of the programme; using and exploring innovative ways of supporting the climate smart interventions to strengthen the resilience.

On program interventions, ECRP has made some commendable progress. With conservation agriculture, one of the entry interventions, communities have been sensitized about the lead farmer approach to agricultural extension and through a community engaging process, community volunteer Lead Farmers have been recruited and trained. These Lead Farmers have facilitated training of some fellow farmers and the setting up of demonstration sites where ECRP is showcasing and promoting the three principles of conservation agriculture. On another front, the same Lead Farmers have also been trained in other agricultural production areas like agro forestry and post-harvest management thereby completing the continuum of production from sustainable and optimal production/growing of crops and land utilization to increasing/improving soil fertility and handling produce to minimise harvest and post-harvest losses. This ECRP strategy not only guarantees household resilience through increased and sustained production but also empowers communities through the building and strengthening of local expertise. VSL, the other entry intervention, has also been a key achievement in the period. Not only has ECRP mobilized and formed VSL groups and increased the demand of VSL in the target areas but the groups have been trained and have started group savings and lending which is going to be very timely as the communities prepare and engage in the coming growing season.

The table below shows achievements made against activities that were planned in the reporting period and explanations and further information where necessary:

Summary of Main Achievements by Programme Outputs for last quarter (Jul-Sep2012)

Activity Number	Activity / sub activities	Target for the year	Actual Achievement during the year	Explanation of variance and gender disaggregated data where possible
Output 1: Increased capacity of local authorities, communities and individuals to address the impacts of climate change				
1.1	Disaster Risk Reduction and Climate Change Adaptation			
	Sensitization and re-vamping of District and community DRR structures	62 CPCs	37CPCs	The variance is because the target was for a 12 month period, and ECRP has so far done 6 months. Work is on going
	DRR training of trainers for ECRP partners and Government	2 training sessions	2 training sessions	The sessions attended by 35 (31 male, 4 female) including 4 government district DRM officers from Nsanje, Mwanza,

Activity Number	Activity / sub activities	Target for the year	Actual Achievement during the year	Explanation of variance and gender disaggregated data where possible
	counterparts			Machinga and Kasungu
	DRR training district & community level structures (DCPC, ACPCs & VCPCs)	34 structures	37 structures	37 CPCs have been trained with 473 community members participating comprising 342 male and 131 female
1.2	Early warning system			
	Community sensitization meetings	14,370 people	5,901 people	Numbers are low because focus in first two quarters was on livelihood interventions, and also the early warning systems activities were awaiting the trainings which would be preceded by the release of the regional forecast by SARCOF and the national forecast by DCCMS
1.3	Contingency Planning			
	Contingency planning training of trainers for partner and Government counterparts	2 training sessions	2 training sessions	The sessions were conducted concurrently with the DRR trainings
1.4	Development of a Farmer Forecasting Service			
	Meetings with Esoko (www.esoko.com) on platform for communication of weather forecasts & early warning information	3 meetings	3 meetings	In consultation with DCCMS, meetings were held to explore a working relationship to use Esoko's web-based SMS-weather forecasts platform. ECRP has developed tools for profiling farmers and community members to receive weather and early warning information; contract is under development; initially 500 community members (lead farmers, CPC members etc.) will be profiled. ECRP took a strategic decision not to provide "programme" phones to those identified people, as to promote the sustainability of the programme.
Output 2: Community and household livelihood practices are better adapted to the impacts of climate variability and change				
2.1	Conservation Agriculture			
	Community sensitization and	6,548 participants	3,616 participants	Sensitizations started at DEC and then to ADCs and VDCs.

Activity Number	Activity / sub activities	Target for the year	Actual Achievement during the year	Explanation of variance and gender disaggregated data where possible
	mobilization meetings in selected GVH			
	Training of trainers for implementing partners and government counterparts	1 session	1 session	ToT was facilitated by the Technical Lead for conservation agriculture with support from the Government's Land Resources Centre, and was attended by 42 partners staff and 36 Government front line staff from ECRP districts (62 males, 16 females)
	Identification of lead farmers (LF)	128 lead farmers	254 lead farmers	Partners were able to identify and register 254 lead farmers of which 30% are women. The overachievement is in part because there has been a great deal of interest from community members wanting to be advocates for conservation agriculture which is a result of good sensitization and information sharing by partner field based staff.
	Training of lead farmers	128 lead farmers	139 lead farmers	Lead farmer training in conservation agriculture is still continuing and partners have so far trained 139 lead farmers 35% of whom were women
	Training of farmers	6,548 farmers	2,310 farmers	Partners have trained 2,310 farmers in conservation agriculture, and have deliberately targeted women farmers (68% of trained farmers)
	Setting out of demonstration plots on conservation agriculture technologies	67 demo sites	55 demo sites	Demo sites are showcasing the 3 principles of conservation agriculture: mulching, minimum tillage and crop rotation.
2.2	Seed Systems Development			
	Community seed systems development training of trainers for ECRP partners	2 sessions	2 sessions	Training conducted by CARE and ICRISAT and attended by 47 (35 males, 12 females) staff including 8 government

Activity Number	Activity / sub activities	Target for the year	Actual Achievement during the year	Explanation of variance and gender disaggregated data where possible
	and Government counterparts			agriculture staff
2.3	Small Scale Irrigation			
	Sensitization of the communities on small scale irrigation	4,200 community members	1,303 community members	Partners engaged with communities on irrigation reaching 1,303 members and again encouraged women participation (62% were women)
	Irrigation training of trainers for ECRP-partner staff and government counterparts	2 sessions	2 sessions	Training conducted by Agricane and attended by 40 (34 male, 6 female) participants including 5 government district irrigation staff
	Identify and conduct feasibility studies for potential irrigation sites	26 sites	15 sites	Sites identified with communities for potential irrigation are from Nsanje (9) and Chikwawa, Thyolo and Mulanje (6). Feasibility studies are underway for the sites. Note that communities first propose sites to partners who then do feasibility studies with Government and Agricane which result in development of designs, budgets and environmental assessments. Those sites found to have good potential are then submitted for review and approval at the PMU. Once approved, partners then proceed to engage with communities in readiness for construction and also procurement of necessary materials. This process is meant to assure quality and control. There was some delay in this, as the irrigation training took place in July – upon finalizing the contract with Agricane. Partners therefore had August /September to prepare and submit plans.
	Prepare & submit to	10 sites	1 site	So far only one site (with 9

Activity Number	Activity / sub activities	Target for the year	Actual Achievement during the year	Explanation of variance and gender disaggregated data where possible
	Technical Committee irrigation sitesproposal with designs, bills of quantities& environmental assessment and mitigation plans			hectares potential to target 165 households) in Mulanje has actually been designed, quantified and submitted for review and approval from the Technical Committee at the PMU
2.4	Post-Harvest Storage and Management			
	Training of trainers for ECRP-partners and government counterparts	2 sessions	2 sessions	Training conducted by CARE and ICRISAT and attended by 56 (42 males, 14 females) including 24 Government district agriculture staff
	Training community lead farmers in post-harvest management	128 lead farmers	172 lead farmers	Partners have trained 172 lead farmers in post-harvest management of which 34 were women
	Training farmer groups/collectives in appropriate harvest and post-harvest management skills and technologies	11,674 farmers	286 farmers	Christian Aid was able to train some 286 farmers on post-harvest management 37% of whom were female. Other partners have planned for the next harvest season as a strategic decision as (i) delayed contracts with partners meant missing out on best time for this intervention and (ii) with the high workload, priority was given to Conservation Agriculture instead.
2.6	Village Savings and Loans			
	Training of trainers for ECRP-partners and government counterparts	1 session	1 session	ToT was facilitated by the Technical Lead for VSL and attended by 37 partner field staff
	Establishment and training of VSL Groups	348 groups	173 groups	Partners have formed 173 VSL groups with membership of 4,896 (76% of members are women)
	Community members participate in VSL	13,507 participants	4,896 participants	More women (3,730) are joining VSL than men (1,166)
	Identification and training of Village Agents (VA)	127 agents	39 agents	Village agents are promoters of VSL at the village level tasked with forming, training and supervising VSL groups. So far, 39 have been identified

Activity Number	Activity / sub activities	Target for the year	Actual Achievement during the year	Explanation of variance and gender disaggregated data where possible
				and trained (19 men and 20 women)
2.7	Agro-Forestry and micro watershed management			
	Training of trainers for ECRP-partners and government counterparts	2 sessions	2 sessions	Training conducted by CARE and ICRISAT and attended by 47 (35 males, 12 females) staff including 8 government agriculture staff
	Training lead farmers in agro forestry	128 lead farmers	65 lead farmers	Some lead farmers in Nsanje were trained in agro forestry, 65 of which 25% were women
	Mount demonstrations of agroforestry using a functional landscape approach	54 demos	31 demos	28 demos mounted in Kasungu and 3 in Nsanje for tree seedlings
	Train selected community institutions(VNRMCs, include schools, religious institutions, VSLAs, etc.) in tree nursery, woodlot establishment and Management	91 community institutions	22 community institutions	In Kasungu, CARE trained 22 Village Natural Resource Management Committees
Output 3: Strengthened information sharing by different stakeholders on DRM and climate change adaptation. (including district and national level governments, research institutions and CSOs)				
3.1	Capacity building and engagement with media practitioners			
	Develop and maintain roster of media practitioners engaged in CCA and DRR	1 roster	1 roster	A total of 23 (11 male and 12 female) media practitioners have been enlisted on the roster developed and maintained by CEPA
	Facilitate media and community interaction on CCA and DRM practices	two sessions	two sessions	Media practitioners from Nations Newspaper and the Daily Times interacted with communities in Kasungu and Balaka on issues related to climate change. Stories were then published in these newspapers.
3.2	Knowledge and information sharing with national and district level institutions on climate change			
	Participate in CISONACC meetings and other relevant climate change national level forums	4	Two CISANET policy dialogues, three NTCCC, three resilience in practice meetings, two formal and six informal	More forums than planned were participated in by CEPA.

Activity Number	Activity / sub activities	Target for the year	Actual Achievement during the year	Explanation of variance and gender disaggregated data where possible
	(TCCC, CA task force)		CISONECC meetings, one Conservation agriculture related meeting participated in.	
	Update CEPA website with materials on ECRP	3 updates	Various ECRP and DISCOVER documentations and materials have been uploaded onto CEPA website (www.cepa.org.mw)	
	Participate in national agriculture fair to share experiences and knowledge on climate change adaptation	One	None	At this time the programme had not yet generated a lot of evidence to be showcased at the fair, but efforts were made to coordinate and participate in the fair
Output 4: Strengthened disaster risk reduction and climate change programmes and delivery structures of key Government Ministries and Departments				
4.1	Capacity building of local structures			
	Hold meeting to share climate change advocacy strategy with implementing partners and map out how advocacy issues will be integrated in partners plans	1 meeting	1 meeting done	The meeting facilitated by CEPA was attended by 62 participants (35 male and 27 Females) from both ECRP and DISCOVER.
	Facilitate training of implementing partners, selected civil society organizations and district level government personnel in policy and related issues	1 training session	1 training session done	66 participants (ECRP: 41 participants (34 males and 7 females); DISCOVER: 25 participants (15 males and 10 males) took part in the training.
4.2	Development and dissemination of policy beliefs on climate change related issues			
	Develop & disseminate policy brief on major policy concerns on community resilience	One policy brief	One policy brief has been developed and disseminated	This policy brief followed the policy audit carried out in the inception and start-up phase of the programme

Activity Number	Activity / sub activities	Target for the year	Actual Achievement during the year	Explanation of variance and gender disaggregated data where possible
	in Malawi			
4.4	Advocacy on significant profile and priority for conservation agriculture in the draft National Agriculture Policy			
	Conduct consultations to establish the status of the National Agricultural Policy (NAP)	1 consultation meeting	1 consultation meeting done	The consultation meeting was done with the secretariat for the National Conservation Agriculture Taskforce. It was found that the draft National Agriculture Policy was withdrawn for reformulation and will be followed up in year two. This represents an opportunity as ECRP can become more engaged in its development.
	Engage in conservation with agriculture stakeholders to develop a policy position for the draft National Agriculture Policy (NAP)	1 meeting	None	This activity was not done due to the withdrawal of the NAP as mentioned above
	Lobby Minister of agriculture and the Technical Secretariat in the MoAFS	1 meeting	None	This activity is dependent upon the existence of the draft NAP from which issues can be raised for lobbying.
4.5	Advocacy for increased national budgetary allocations for climate change and DRM from 0.9% to at least 2%			
	Conduct Budget Analysis on conservation agriculture, localized renewable energy provision, climate change and DRM	1 analysis	1 budget analysis exercise done	Findings showed that only 1% has been allocated for climate change sectors
	Lobby meetings with PCANR, Parliamentary committee on Budget and Finance, treasury, OPC, MoAFS, Dept. of Land Resources and members of parliament from	1 meeting	2 lobby meetings have been done	CEPA facilitated the session and they were attended by 51 Government and Members of Parliament (41 males and 10 females) from ECRP and DISCOVER target areas. Findings from National budget analysis exercise were shared during the lobby meeting

Activity Number	Activity / sub activities	Target for the year	Actual Achievement during the year	Explanation of variance and gender disaggregated data where possible
	disaster prone areas			
4.6	Advocacy for an enhanced coherence between CCA and DRM policy and implementation			
	Engage UNDP, DFID, Irish Aid, Norway Foreign Affairs to lobby for clear mandates and responsibilities	1 meeting	None	This did not happen following advice from the National Technical committee on Climate Change (NTCCC). CEPA was advised that since the process to develop a National Climate Change Policy was about to start, engaging these institutions was no longer necessary and was advised to wait.
	Lobby OPC and Development and planning, technical committees to clarify mandate of the key departments for CCA management and DRM (through the technical Committee)	1 meeting	None	Not done due to the same reason as above
	Prepare and publish position paper for National Climate Change Policy	1 paper	1 position paper has been prepared	Some of the recommendations from the paper have already been incorporated in the first issue paper developed for development of National Climate Change Policy. See issues paper in the annex 5.
Monitoring, Learning and Coordination				
5.1	Community Based M&E			
	Conduct baseline survey	One baseline survey in 7 districts	One baseline survey has been done in 7 districts	Draft report of the baseline survey is out. Findings showed some surprises and lessons for the programme.
	Develop a database system (MIS)	One database system	Development of the Database system in progress	This is being developed with technical support from LTS. However, the process is taking long.

4.4 Cross-cutting Issues:

4.4.1 Gender

ECRP's strategy on mainstreaming gender includes ensuring woman participation in project related decision making and leadership roles, raising awareness, and participation of women in project activities since women in the target communities bear the burden of community hardships especially in the context of climate change and present the best chance of solutions to adapting to climate change turning into reality. In the reporting period, ECRP advocated for inclusion of women during the re-vamping of CPCs, and which currently stands at 28% of CPC members are women. However, it should be noted that for CPCs that were already in existence, rather than trying to change membership, ECRP concentrated to reminding communities that membership in CPCs ought to be changing as per their rules and when relevant opportunities arise, women should equally be given the chance to participate. With regards to leadership roles on project activities, ECRP deliberately encouraged women to take up community volunteer roles when they satisfied the selection criteria. ECRP has achieved 30% women representation on identified and recruited lead farmers and 51% women representation on identified and recruited VSL village agents.

4.4.2 HIV and AIDS

ECRP's strategy on mainstreaming HIV/AIDS includes raising awareness amongst communities at large but most importantly amongst community leaders and community project activities leaders, and by ensuring participation of people infected and affected by the pandemic. While specific training on HIV/AIDS mainstreaming have yet to be carried out at community level, ECRP partners included awareness raising messages during community sensitization meetings. The messages included the need to make deliberate efforts to target people living with HIV and AIDS and those made vulnerable by it such as orphan headed households etc. ECRP also developed its targeting criteria and procedures that address how to ensure vulnerable households are targeted in the reporting period, and the procedures were rolled out to partners. As soon as beneficiaries' details start to be entered into the ECRP MIS, ECRP would be able to share the proportions of registered beneficiaries who fall into the various categories of people made vulnerable by HIV/AIDS.

4.4.3 Disability:

ECRP's strategy on disability mainstreaming includes raising awareness amongst communities at large but most importantly community leaders and community project activities leaders, ensuring inclusion of people with disabilities participate in decision making structures, participate in project activities for people with disabilities and

ensuring their access to project assets. Apart from some initial work on emphasizing the inclusion of people with disabilities during community sensitization meetings, a minimum was done on this. So far, 14 households in Machinga have been targeted. More effort will be put on this in the coming year.

4.4.4 Transparency and Accountability

ECRP's guidelines on transparency and accountability include that the implementing partners ensure access to program information by communities and set an enabling environment for communities and other stakeholders to raise complaints and receive response through an effective, accessible and safe process when and wherever necessary. Consequently, in the reporting period, ECRP has started to develop guidance on how both ECRP consortium members and partners will ensure access to information (partners have budgeted for information boards at GVH level) and ensure that a complaint handling mechanism in communities and at their agency level is established including one of a combination of channels such as complaints and feedback boxes (for written, non-sensitive and sensitive complaints), complaints handling committees (for verbal, non-sensitive and possibly sensitive complaints), and field visits by consortium staff (for verbal, non-sensitive and sensitive complaints). The scorecard system from CARE will be adopted and Action Aid contributes with their knowledge and experience on whistle-blowing policies at partner level.

4.5 Additional comments on progress.

The PMU is responsible to ensure all partners receive relevant information for them to implement ECRP. Yet, due to partners' different levels of experience, experience in different kinds of interventions, the initial implementation has seen a wide variation of activity. We can conclude that during the first months of implementation partners gravitate towards their zone of comfort, e.g. those partners experienced in VSL have achieved very well on VSL. As (almost) all ToT trainings are done (the last ones to be done in January), and as partners become more familiar with the SOP's and their implementation, the PMU expects partners to start working on new interventions, as per their work plans.

5. ISSUES, CHALLENGES AND MITIGATION MEASURES

Problems and constraints	Expected impact on workplan/ programme	Adjustment to work plan if needed/ mitigation measures taken
Programmatic		
<p>Insufficient staffing especially on the ground. During the inception, as a result of budget limitations, partners budgeted for only one or two field officers whose role is to implement all 11 interventions. The M&E data collection requirements have also been higher than expected.</p>	<p>If this situation continues, activities will stall, the rate of programme roll out will be slowed down and staff will become overworked potentially leading to further underperformance.</p>	<p>Partners have assessed the capacity they require and have identified staffing changes that are necessary. Budgets for October 2012 onwards have made the following changes:</p> <p><u>Action Aid</u> Action Aid (replacing MC)</p> <ul style="list-style-type: none"> • 1 proj. officer based in Nsanje RUO • 2 field officers in TA Mlolo • 1 data entry clerk <p>ROLEC</p> <ul style="list-style-type: none"> • 1 field officer • 1 data entry clerk <p><u>CARE</u></p> <p>Has increased on M&E district support</p> <p><u>Christian Aid</u></p> <p>-Eagles increased staff by 1 M&E to be shared with other program</p> <p>-Eagles also increased level of effort for their Program Manager to 30% to assist with the oversight function</p> <p>-CARD increased staff by 1 Field Officer</p> <p>-EAM increased staff by 1 M&E to be shared with other program</p>
<p>Cross-over with WALA in Mulanje, Thyolo, Nsanje & Chikwawa and with CARLA in Chikwawa. This has created duplication challenges in the targeting of TAs, GVHs, villages and households</p>	<p>This leads to possible double targeting of households which could result in less effective interventions as targets get 'saturated' and reduce value for money.</p>	<p>WALA have shared a profile of all their target areas as well as proportion of population being covered by WALA in their target villages in Mulanje, Thyolo, Nsanje and Chikwawa. With this information, ECRP cross referenced with its target areas in those districts and found an overlap of 52 villages in Nsanje, 11 villages in Chikwawa, 7 villages in Mulanje, and 10 villages in Thyolo. ECRP then engaged with concerned partners to</p>

		<p>verify on the ground that no other areas were missed. No other areas were found to have been missed. ECRP then went and started holding meetings with <u>both the concerned District Authorities and concerned WALA partners</u> to map out a way forward. These meeting are yet to be concluded and once done, ECRP will share the reports with DFID with actions that have been taken to avoid the constraint posed herein. At this moment it is expected that a mutually beneficial solution can be found for the way forward.</p>
Financial		
Q1 and Q2 are significantly underspent versus forecast	If this continues it will impede the achievement of the programme goals. An underspent of more than 10% can lead to a reverse from pre-financing to 'post-financing' from DFID which would significantly impact the lead organization CA.	The PMU has agreed that closer working relationship between programme managers and finance managers will be supported. PMU plans on having a training on the links between programme management and financial management and their work plans for ECRP specifically in Q2 of the new year, after seeing results from the Q1 (Oct-Dec 2012)
Devaluation of the Kwacha by 100% compared to the initial budget approved Sept 2011.	Prices have not increased to the same degree, resulting in significant exchange gains.	These gains have been used to address strategic issues. Mitigating the underspent (more people on the ground), developing a budget for the visibility and monitoring & evaluation among others.
Fraud issue with MotherCare in Nsanje (see details in the executive summary and in annex 8)	This incident has led to a slowing down of implementation in Nsanje.	An investigation was carried out, MotherCare was eliminated from the consortium and Action Aid are now directly implementing their scope of work. It has been agreed by the PMU that that to mitigate against this in the future, we will monitor the finance processes of partners even more closely. Through quarterly monitoring trips of PMU and members, and external audits, managed centrally at PMU level.
M&E related		
Delayed finalisation of the database system (MIS)	This may affect data storage for the consortium; a challenging integration of hand-written data into the new MIS system. This may	The programme will go ahead in data collection particularly data on beneficiary households and this will be kept in hard copies whilst waiting finalisation and

	initially delay reporting, but should eventually make reporting for partners and members on activities simpler and more accurate.	installation of the database system
The baseline survey exercise took more time and resources than originally planned due to the sudden change in methodology for carrying out the exercise.	A higher expenditure resulted from this. The exchange gain in the budget supported the extra costs.	none
The baseline survey included villages that will not be directly targeted by the programme.	Managing expectations of people from those areas was and may continue to be difficult for the implementing partners working in those areas.	We have ensured that field officers are aware of this aspect and have plans to discuss this at district level to ensure transparency of processes and objectives.
Field staff involved in support and coordination of the baseline, lost a significant amount of their time away from actual implementation of interventions	The exercise may have contributed to delay in implementation of activities by partners involved in the baseline assessment	The increase in personnel will mitigate this. Yearly light assessments should be less work-intensive. Mid-term review will be fully done by LTS.
Baseline findings came late in the planning process	Baseline outcomes need to inform the planning and budgeting and help set revised targets. ECRP had requested to have the results in August, however this was not possible; giving less opportunity to incorporate the findings in the current plans and budgets	It would be more meaningful to have the completion of the yearly assessment and the midterm evaluation aligned with our planning cycle done in September of every budget year. WE did provide this feedback to DFID and LTS during several meetings in April, May and June 2012.
Advocacy		
Work on advocating for the increased profile of conservation agriculture in the national agriculture policy did take place due to the re-drafting of the policy by government	More work on this will be done in year 2	It creates an opportunity as well for ECRP and DISCOVER as we can influence the policy from its starting point.
Consortium management		
Reporting challenges	Reporting from the partners is a challenge so far in terms of timing.	The PMU has ensured partners and members have clear expectations of reporting timelines. Now that all parties have a better

		<p>understanding of the reporting, budgeting processes, this should also support a smoother process.</p> <p>In addition, once the MIS is installed and up and running, this should also mitigate some of the issues.</p>
Different partners implement at different pace	Some partners are keeping in line with their targets and expenditures, others are lagging behind considerably. This impacts heavily of the overall consortium performance	Consortium members are monitoring 'slow-performing' partners and are developing action plans to address the issues of underperformance.
Crisis Situation		
Current food crisis	Beneficiaries may be focused on 'getting food on the table immediately' through paid labour, or other coping mechanisms, taking their attention away from the interventions	Field officers are staying alert to ensure they know what is happening in their area of work. The good results on identifying lead-farmers gives an indication that farmers are interested and willing to participate and even devote part of their (voluntary) effort to participate in ECRP.

6. MANAGEMENT

	Programme Management Indicators	Achievements for Apr-Sep 2012	Targets for year 2
1.	Number of coordination meetings per year held at consortium and district levels	3	3
2.	Number of vacant posts for the consortium Gap time between departure time and start time of new staff	Number of post in programme	
3.	Number of field monitoring visits carried out by the PMU	3	12
4.	Number of technical working group meetings held per year	3	4
5.	Number of dashboard reports produced per year	5	12

6.1.Coordination:

6.1.1. Member Meetings

Chief of Party calls member meetings as and when they are needed, but minimal once per quarter. The following member meetings took place during Q1 and Q2: April 10; May 16; June 26 and September 4, 2012.

Topics covered are: ECRP performance and actions to be taken, minimum operating standards, contracts and finance, humanitarian response, Planning of the partner coordination meetings, reporting needs, Kwacha devaluation impact on ECRP

6.1.2. Steering Committee Meetings

The SCM's took place on May 18, June 20 and September 27

Topics covered are: Performance of ECRP (based on dashboard) and mitigation activities, Risk management within ECRP, official approvals of reports, minimum operating standards, and next steps.

6.1.3. M&E working group

The programme has established an M&E team. This team comprises of M&E staff or focal points from partners. The overall role for this team is to coordinate M&E and knowledge management functions of the consortium. This team was very key in coordinating the baseline assessment and development of the ECRP database system.

6.2.Planning:

6.1.1. Partner Coordination Meetings

ECRP has managed its planning and monitoring processes at two levels – consortium member level and technical working group (TWG) level. The PMU held two important coordination meetings with consortium members and partners – (i) in April 18-19 that finalised and presented the standard operating procedures for the 11 interventions and (ii) in September 24-26 that shared preliminary findings from the baseline and the process of planning and budgeting for Year 2 and subsequent program years.

6.1.2. Technical Working Meetings

With regards to provision of technical support to partners, ECRP also held two TWG meetings (in May 31 and August 23) attended by partner District Coordinators, Technical Leads, technical support partner (Agricane for irrigation and ICRISAT for post-harvest management) and the PMU. These meetings shared and discussed progress and technical challenges by partners as well as planned and coordinated technical support visits. As part of the planning and quality assurance system, ECRP through the TWG, developed a set of planning, monitoring and reporting tools for Technical Leads that aim to ensure

uniformity and consistency in the execution of Technical Leads roles and responsibilities. The tools include: (i) Technical Leads Quarterly Work Plan (which map out activities to be undertaken by the Technical Lead in supporting, monitoring and ensuring quality assurance to partners); (ii) Technical Lead Quarterly Report (which provides a synopsis of the performance of each implementing partner in each program intervention); (iii) Technical Lead Technical Visit Scope of Work (which details out the purpose of a visit by Technical Lead to Implementing Partner); and (iv) Technical Lead Technical Visit Report (which shares key observations & actions agreed with partners following each visit).

6.3. Visibility:

Upon the request from DFID; ECRP developed a visibility strategy identifying where the logo's of the donors (UK aid, Norwegian Embassy and Irish Aid) should be used and how, as per the guidelines from DFID, Norwegian Embassy and Irish Aid. This will be implemented starting October 2012.

For this purpose, ECRP is also developing a logo to use alongside the logo's of the funders.

The strategy earmarks programme deliverables including community-wide assets created by the programme such as small scale irrigation sites, village forest nurseries, community cereal banks, and demonstration sites for technologies like conservation agriculture, and agro forestry.

The main visibility elements will be programme 'accountability' boards at the GVH level giving overall information on the ECRP programme and site-notice boards, identifying a site (e.g. irrigation), its implementers and the donors.

ECRP has started using the donor logo's on all presentation and reporting material.

Programme communications earmarked for visibility on the other hand, include publications, training materials etc. The strategy further details in each of the two categories in terms of what ECRP will be branding, how ECRP will be branding, when ECRP will be branding with respect to the life of the project, what branding guidelines will be followed, and finally who in the consortium will be responsible for the branding.

6.4. Fraud:

The MotherCare fraud case was reported in June through a whistle-blower, investigations took place in July/August and end September the decision was taken to eliminate MotherCare from the consortium due to widespread fraud within the organization. The Programme Manager for ECRP from Action Aid, based in Nsanje was also involved and consequently dismissed.

Action Aid reacted appropriately and investigated immediately. The findings have been shared with DFID. The current status is that Action Aid has taken over the

implementation in Nsanje for the short term. In the meantime it is looking into identifying a qualified partner to take over the role. PMU and Action Aid have discussed that a possible (new or current) partner would have to go through a rigorous assessment prior to awarding them with the partnership.

In annex 8, Action Aid gives further details of the current status.

6.5. Monitoring, spot-check, quality assurance work

Head of Programme: visited Nsanje twice, once on a general field visit to monitor on-going work and once specifically during the planning and budgeting cycle. He also visited the Blantyre based partners to give feedback on work plans and budgets prior to their submission. As implementation picks up during the next quarter, the HoP will commence with regular field visits

Climate Smart Agriculture Expert: The role of the Climate Smart Agriculture Expert (CSAE) is to ensure quality adherence on the ground and to ensuring a holistic approach between the different agriculture related interventions (irrigation, conservation agriculture, agro-forestry, seed systems, watershed management, afforestation, etc.) While technical leads are responsible for their technical field, the CSAE is cross-cutting.

The CSAE undertook two visits, one to Nsanje – visiting all Action Aid partners, feedback was given on implementation and action points were identified related to work plans and targets. The second visit was to Mwanza and Machinga, monitoring work on DRR and conservation agriculture. The importance of SOP's was identified and work plans reviewed to improve the implementation. Partners were encouraged to contact Technical Leads for more technical details.

Finance: Mango has successfully done a second round of training for those partner-staff who just arrived on basic finance management issues. They continued with a follow-up visit to all partners in the field to monitor their progress on the assessments done in November 2011. They concluded with a member and PMU meeting, focusing on risk-management. The results of these discussions are integrated in the risk-register within this report and are updated on a quarterly basis. Mango continues to be supportive with PMU in collaborating on parts of the operations manual to ensure they are solid and relevant for the ECRP.

The Finance Manager has conducted two rounds of monitoring visits, with the member finance managers. One was a more detailed one with the CA regional compliance manager focusing on CA partners. However learnings and findings will be shared with the consortium and the decisions to have an extra training stems from the findings from this trip.

6.6. Accountability principles

The consortium has started developing the accountability standards it wishes to uphold together with DISCOVER, so that similar standards can be maintained.

The principles will include the CARE-developed Score-card, the Humanitarian Accountability Principles (some basic standards) and the whistle-blowing policy

7. MAIN LESSONS LEARNT AND CASE STUDIES

During initial implementation it gave ECRP the opportunity to gather some learnings in the field, i.e. a better understanding by partners of what is needed, what the reality is on the ground and how plans change. Coordination meetings for alignment and sharing of learnings remains important – sufficient investments needed

Key Lesson Learned	Impact on Programme and Actions
PROGRAMMATIC	
Importance of SOP's	Alignment, processes, guidance, prescriptive in how to implement – to ensure standardization of outcomes and quality implementation
Variation of targeted districts on development indicators	Through the (draft) baseline assessment findings, we learnt that some districts such as Thyolo, Mulanje and Machinga, Nsanje and Chikwawa are worse off than districts such as Kasungu on development indicators. When the final results are available, ECRP will explore if this calls for a different approach in those districts.
Roughly 50% of households are already using two or more climate smart agriculture practices.	The baseline assessment findings have raised questions on what would be an appropriate and effective combination of climate smart agriculture techniques. Further reflection needs to be done on the current implementation quality of these practices, what the combination people currently use. It needs to be noted that the uptake of Conservation Agriculture techniques only stands at roughly 1%, indicating the opportunity to make impact with the CA intervention under ECRP.
It is necessary to also do budget analysis at district level, as that feeds into the national level budget.	CEPA will also do budget analysis at district level.
OPERATIONAL	
ECRP promotes nine interventions which are more work-intensive than initially anticipated.	More staff in the field supporting the implementation of the interventions will increase the work done in the field, and will support an improved expenditure rate.
Importance of SOP's	Alignment, processes, guidance, prescriptive in how to implement – to ensure standardization of outcomes and quality implementation
Turn-over of member and	Partners need to have contingency plans in place for turn-over,

partner staff	hand over between staff. ToT-information needs to be passed on. There may be need for refresher trainings if (too) many new field officers come on board during the programme.
Planning & coordination	Remains important in a large consortium with many different partners and members; it is crucial to ensure all parties are coordinated and working on the same guidelines, understanding and expectations. Although these meetings require a certain budget allocation, it is necessary to continue having those meetings throughout the lifespan of ECRP. During the inception and implementation, those meetings were quarterly, during year 2 onward; we will have 3 meetings per year.
FINANCES	
Finances – Forecast challenges	Better forecasting is needed. Stronger links between programme staff and finance
More field-implementation staff needed	Understanding SOP's and field implementation + slow implementation justifies recruitment of (targeted) additional field officers
Devaluation challenging but also helpful	The devaluation has made the monitoring of spending linked to the forecast challenging as it rates continuously change. On the positive side, it has allowed ECRP to make positive use of the exchange gains by reinserting them into the budget in new areas (e.g. visibility) and to strengthen areas that were felt to be weak. Human resources on the ground and monitoring and evaluation were part of this.
Fraud Issues	The reality of encountering fraud issues within the consortium is real, as identified by the MotherCare case. However, the reporting and management system within the ECRP consortium is functioning. PMU shall, on one hand, carry out regular monitoring visits to ensure full compliance and safeguards resources
Enhancing Technical Capacity of Partners	Recent monitoring and compliance visits to partners have revealed that ECRP have gaps that still require to be addressed. Arrangements are being made with the finance technical partner, MANGO to organise a tailor-made training to training specific gaps as identified
Addressing of MANGO Recommendations	MANGO has re-classed their recent partner recommendations for easy follow up. However, the pace at which the recommendations are fulfilled is slow despite some of them being straight forward. PMU shall institute regular follow ups of the recommendations to ensure subsequent assessments produce 100% positive results.
Expenditure Reports	Generally there has been good improvement on quality of the financial reports. PMU shall continue encouraging members to carry out partner field visits to assess completeness and compliance with ECRP Minimum Operating Standards.
MONITORING AND EVALUATION	
M&E resources	Partners are required to spend more time on M&E than initially expected. MISand yearly light assessment,...
Time lag for impact and outcome	Noticeable changes at the impact and outcome level may take

level change	some time to happen. Plans to measure changes at these levels need to take into account this aspect.
MANAGEMENT	
Expenditure numbers need a close follow-up as shown in Q1 and Q2.	A Management dashboard is a key management tool to keep track of expenditures per partner, members and intervention. It allows PMU to take swift actions.
Compliance of all consortium members/partners	To ensure compliance with all guidelines, (programmatic, financial,...) , more supervision, monitoring and spot-checks are needed. Internal audits are now done by all partners every 6 months. PMU will continue to do quarterly partner checks, with support from the relevant members.
Member/Partner relationship key	The relationship of consortium members with their partners, in terms of support, guidance, setting expectations, etc. is important. The more support the member gives, the better the performance of the partner.

Case-studies

Leveraging resources at district level

One of the programmatic lessons learnt in the reporting period is on how stakeholders can join hands at the District level when a common cause is defined. Case in point was to do with the process of developing District Contingency Plan in Chikwawa. ECRP partners have plans for this, but since they are only covering a part of the District, the District Assembly asked about how then can ECRP help with coming up with a District-wide Contingency covering all areas. ECRP partners with the Chikwawa District Assembly then did an assessment of what other stakeholders were doing for DRR related activities in Chikwawa and which specific areas they are covering. These stakeholders, including WALA and CADECOM, have been engaged and have agreed to not only spearhead the Contingency Plan development process but also have committed to leveraging financial resources towards the process. ECRP intends to promote this approach to all other partners in the process of influencing District Contingency Plans.

8. MONITORING OF RISKS

Initial date of risk identification	Original Impact or likelihood risk rating	Major Risks for the programme	Original impact or likelihood risk rating	Current impact/ likelihood risk rating	Original mitigation measures	Progress on mitigation Measures and NEXT STEPS
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Inception Report/ Proposal	valid	Kwacha devalued by almost 45% in May 2012. The consequence for ECRP is more mkw to budget with. Inflation and price increases have not (yet) made the same increase. However, the devaluation is continuing.	High	Medium	Close monitoring of costs of goods like fuel to forecast the likely increase in expenditures. Awareness of the differences between the official inflation rates, published by the authorities and the daily realities of prices on the ground.	New budget year, provides the opportunity to re-budget and make new workplans, incorporating rising costs etc. and addressing lessons learned from Q1 and Q2 NEXT STEPS: Fuel prices keep rising. Staff salaries have been adjusted (in May). It is unclear if salaries need further revisions if inflation continues; This would impact the current budget. Ongoing monitoring of inflation and prices of key goods.
Inception Report/ Proposal	valid	A major disaster such as floods / drought might negatively affect participation in project activities in addition to shifting attention to relief / emergency projects.	High	Medium	Disaster risk reduction and response are inbuilt into this project. Through EWS such as the drought early warning system, the consortium expects to anticipate such disasters in good time and make contingency plans for response and mitigation. These systems have been explicitly included in this project design to minimize and mitigate the impact of such disasters. MVAC and FEWSNET report in June predicts a lot of people will be food insecure from as early as August 2012 reaching a peak of about 1.6 Million by January 2013. The affected areas include ECRP impact areas and this may affect delivery of programme activities and ECRP will need to show support to deliver humanitarian aid.	NEXT STEPS The current food crisis (Oct2012-March 2013) is mitigated by cash transfers and food distribution mainly managed by WFP and by an NGO consortium (led by Oxfam) and does not include ECRP as a consortium. Focal areas were identified by MVAC and include only one ECRP area (TA). This area will be covered by the NGO consortium. However, ECRP remains supportive of this humanitarian response by advocating for its integration into long term resilience programmes already on the ground. Some of the ECRP partners like ADRA and CADECOM are cooperating with WFP in cash transfers and food distribution. However, it may be anticipated that communities will be impacted by the food insecurity and beneficiaries may revert to coping mechanisms as Ganjung labour and others; impacting on the delivery of the ECRP interventions
July 2012 report	valid	Fraud Case .	high	Medium	Following a whistle blow, Action Aid shared the fraud case in Nsanje with PMU and instituted internal investigations. Report is expected in the next quarter. Dfid has also been kept abreast of the matter.	NEXT STEPS Detailed documentation of the fraud case and the following resolutions is shared with PMU and DFID. MotherCare has been eliminated from ECRP consortium. All implicated staff have been let go. In the interim, Action Aid does the implementation on the ground until another (suitable and qualified) partner can be identified to replace MotherCare.
July 2012 report	valid	under spending by more than 10% variance versus forecast	high	Medium	PMU has developed an operations manual to identify actions to be taken with an underperforming partners/consortium members	Operations manual under development to Continuous monitoring/ usage of dashboard on monthly basis. NEXT STEPS: Implementation of the policy of underperformance as stipulated

Inception Report/ Proposal	somewhat valid	Acute fuel shortages (diesel and petrol)	High	Medium	CA management has made alternative agreements with fuel stations to provide fuel for CA vehicles. However, this is more difficult to accomplish in the field. Where possible carpooling will be done and where possible travel will be restricted to mandatory travel only.	Fuel costs have increased, impacting the ECRP budget. As per Q2 2012, the fuel shortages are manageable. NEXT STEPS: Government is prioritizing import of fuel to Malawi. Queues have been re-occurring but not yet to the degree that it challenges the implementation of the programme. However, it cannot be omitted that the fuel shortage may re-appear. Mitigation activities identified remain valid.
Initial proposal	somewhat valid	Failure to manage budget in Malawi ECRP - i.e. identify and manage over/underspends Financial management by partners is ineffective and prevents them from achieving the objectives of their grants. If poor financial management by partners is widespread, this will prevent ECRP achieving its objectives and negatively impact the ECRP and CA's reputation	High	Medium	High priority to be given to recruiting programme staff who are competent in financial management and for the PMU Finance leads to train and support programme staff. HR Managers post to ensure financial competency is a key part of recruitment, probation and ongoing performance management processes. Recruitment tests and interviews need to be tailored to positions to ensure correct competences are tested. Implementation of plans to recruit competent finance staff, implement systems and provide support. Support from CA Head Office in providing up-to-date financial information against budgets in a format.. Mango 5-day financial management training course for 30+ ECRP staff undertaken in Inception. Followed by an individual capacity assessment of each of the 11 partners in consortium, and a customized capacity building plan developed. The financial capacity of the partners carrying the highest input financially, is robust and not considered 'high risk'. Those partners needing more support, are only responsible for small parts of the overall budget and their impact on the risk level overall is therefore low.	1. PMU Finance Manager has been successfully recruited with necessary experience and background. It did take 3 rounds to find the right person for the position. CA HQ has supported the PMU in the meantime to ensure adequate financial support was available in country and from London HQ. 2. Recruitment for other key personnel has been done with the financial competency in mind. 3. Consortium members have adequate finance staff. Action Aid has suffered from some turn-over of finance staff, but has successfully recruited a new Project finance officer NEXT STEPS Finance managers have spent more time than initially allocated on ECRP. Hence, additional time has been allocated in the Year 2 budget to ensure their availability to give the necessary follow-up and monitoring required by ECRP
Inception Report/ Proposal	somewhat valid	Losing momentum, many requirements and items within the programme, and 11 partners may lead to discrepancy in work plan; not achieving objectives	high	Medium	Robust M&E systems in place for timely monitoring. Top down and bottom up reporting and monitoring. Financial and operational. Important to maintain the quarterly coordination meetings amongst PMU/members/partners to ensure the togetherness in the consortium, and ensure that the objectives remain clear throughout the programme implementation.	NEXT STEPS: Communication and Coordination remain key to ensure all entities are aligned with the programme objectives. Monitoring processes have been put in place and are complied with. Shortage of implementation personnel has been identified and addressed with the year 2 budget.

Inception Report/ Proposal	no longer valid	Should the current political tensions continue and Malawi's relations with the international community deteriorate further, it is feared that this project might be among the visible targets for the government to demonstrate its displeasure. This might be manifested in the form of withdrawal of government participation, freezing of project bank accounts, denial of visas and work permits for international project staff etc.	High	Low	The involvement of local key civil society organisations, the anticipated community involvement coupled with the sheer size of the ECRP as a programme might restrain governmental interference. Through the COP, this project will endeavour to present itself in the best light and highlight its objectives and benefits to the government, the civil society in general and the participant communities. This project will also closely coordinate with other interventions including projects led by multilaterals. Lastly, government structures at all levels will be privy and participant in key decisions to increase ownership and acceptance.	With the new government, relationships with donors of ECRP have been strengthened and supported.
July 2012 report	no longer valid	Delays in implementation of activities due to delayed contracting, funding, procurement, etc.	high	Low	Improved planning, more attention to implementation endeavour to cover part of 'lost' activities, and clear communication with DFID in terms of expectations in Quarter 2	
Inception Report/ Proposal	no longer valid	Failure to manage exchange rate fluctuations. Christian Aid (and members) will have to finance any losses made on exchange.	High	Low	The ECRP budget and contract with DFID is in GBP. The larger proportion of project funds will be held outside Malawi. Cash flow transfers into Malawi will be strictly monitored and controlled to ensure consortium and implementing partners do not hold surplus monies in the local currency.	At his moment, ongoing exchange gain expected for year 2. These gains will be re-allocated towards interventions and strengthening areas for better implementation of the programme
Initial proposal	similar as other risk mentioned above	Financial management by grantees is ineffective and prevents them from achieving the objectives of their grants	High	Medium	Develop and implement effective financial management tools and training plan customized for the types of grantees in the ECRP Possible tools include: - Customizing the Partner Financial Capacity Checklist developed , CA Finance. - Working with Mango to use versions of Mango's NGO Health Check and Guide to Financial Management for NGOs. Risk Assurance Team also to conduct risk-based sampling visits to grantees to validate the financial monitoring and capacity building work being carried out by Programme Staff	All original mitigation measures have been implemented. Initial training courses and assessments took place, recommendations have been passed on to Implementing Partners and Members. * Additional finance training needs have been identified * PMU finance manager is doing spot-checks with all members * Implementing Partners need to show progress in following-up on MANGO's recommendations. NEXT STEPS * Finance training for detailed processes - by MANGO in March 2012
Impact level assumptions / risks						
Impact level	valid	Malawi Govt does not retain MDG1 as a priority in its overall policy & programming	low	low	through advocacy refresh the importance of the MDG1	
outcome level		Malawi Govt does not maintain policy focus on DRR and climate change	low	low		The programme, through CEPA, has continued to engage government on policy issues related to climate change and DRR. CEPA is actively participating in processes leading to development of the Malawi National Climate Change Policy.

outcome level	valid	Natural disaster or economic crisis do undermine results or impede progress.	Medium	Medium	Devaluation has been a challenge, linked in April/May 2012 with a shortage of fuel	positive absorption of exchange gain in the programme budget. Continuous monitoring done on exchange rate. Possible anticipation of further increase of salaries and other unit costs

9. FINANCIAL ISSUES FOR PAST PERIOD

Expenditure report for March-September 2012

Main budget categories	Overall budget for programme	Overall budget left at beginning of year	Planned expenditure for the reporting year	Actual expenditure for the reporting year	% year actual vs planned	Explanation of variance
Project Management Staff-National	459,139	459,139	42,695	31,897	75%	Underspent due to some staff not recruited at start of programme (PMU Finance Manager)
Direct Implementation Staff	2,494,288	2,494,288	189,080	166,335	88%	Underspend due to some staff not recruited at start of programme (Climate Smart Agricultural Coordinator)
Direct Programme Support Staff	410,845	410,845	31,760	29,635	93%	Within limit
Project Management Staff-Intl'	384,079	384,079	33,399	42,474	127%	Overspend due to some annual costs being expensed
SUBTOTAL - Personnel Costs	3,748,351	3,748,351	296,934	270,341	91%	
Travel & Transport (Personnel)	802,069	802,069	69,194	45,284	65%	Although there was a rise in insurance premiums in Q1, the under expenditure is attributed to: (1) Low level activity (2) Travel plans being reduced due to fuel crisis early in the quarter, coupled with devaluation.
SUBTOTAL - Travel Cost	802,069	802,069	69,194	45,284	65%	
PROJECT ACTIVITIES						
Start Up	22,302	22,302	15,869	352	2%	Most of the start up activities were already done in during inception period.
Output 1: Increased capacity of local authorities, communities and individuals to address the impacts of climate change.	626,036	626,036	64,214	21,987	34%	No field activity was conducted. The TOT has just been concluded. Some activities have been shifted to Q1 of Year 2
Output 2: Increased capacity of communities and individuals to adapt their livelihoods to climate variability and the impacts of climate change and to manage disasters.	1,551,311	1,551,311	165,273	78,180	47%	Sesnitisations are underway, but there are low cost operations which will pickup when community trainings pick up in Q1 of Yr2
Output 3: Strengthened information sharing by different stakeholders on DRM and climate change adaptation (including district and national level governments, research institutions and CSOs)	25,973	25,973	1,036	1,414	136%	Underestimation of the forecast against the Consortium ToT actual costs and participants which took place March end 2012
Output 4: A strengthened early warning system for climate related disasters (slow and rapid onset disasters).	-	-	45,776	-	0%	MVAC activities to be done in year 2
Output 5: Strengthened disaster risk reduction and climate change policy and programmes and delivery structures of key Government Ministries and Departments	4,347	4,347	3,716	-	0%	Partners were being trained, and will commence their activities to be done in Q1
Consultants/Technical Support Services	931,416	931,416	63,981	77,546	121%	Underestimation of the forecast
SUBTOTAL 4	3,161,385	3,161,385	359,865	179,479	50%	
MONITORING, LEARNING, COORDINATION	438,795	438,795	60,110	48,124	80%	
CAPITAL EXPENDITURE	32,423	32,423	41,573	-5,626	-14%	Negative total expenditures for Q1 due to refund of assets costs incurred during inception period now refunded by members during impenetation period.
Local Administration Costs, Supplies & Materials	334,841	334,841	30,258	25,583	85%	
OTHER COSTS (e.g recruitment and audit costs)	103,215	103,215	6,815	7,545	111%	Underestimation of the forecast
SUBTOTAL -Monitoring & Administration Costs	909,274	909,274	138,756	75,626	55%	
SUM OF DIRECT PROJECT COSTS	8,621,079	8,621,079	864,749	570,730	66%	
INDIRECT COSTS	465,449	465,449	72,153	28,754	40%	Some HQ costs not yet booked as at close of Q2. To be reflected in Q 1 of year 2
SUBTOTAL	465,449	465,449	72,153	28,754	40%	
GRAND TOTAL PROJECT COSTS	9,086,528	9,086,528	936,902	599,484	64%	

	Cost effectiveness indicators	
1.	Cost per beneficiary per intervention:	
	Conservation agriculture	
	Irrigation	
	Agro Forestry	
	VSL	
	Livestock	
	Post-Harvest Management	
	Fuel Efficient stoves	
	Solar Lighting	
2.	Cost per hectare under conservation agriculture	
3.	Cost per hectare under irrigation	
4.	Average amount of money saved by VSL participant/year	

These indicators will be used in future reports to identify cost effectiveness and VFM in ECRP

10. FINANCIAL REPORTS FOR PAST PERIOD

The detailed Finance Report can be found in Annex 10

11. WORKPLANS FOR UPCOMING YEARS

Following the coordination meeting of September 24-26, ECRP partners developed the October 2012-September 2013 detailed work plan which is attached. The main adjustment made is that activities under the program interventions have been more detailed following the finalization and adoption of sector standard operating procedures.

12. ANNUAL BUDGET FOR UPCOMING YEARS

The Annual budget for year 2 to 5 is found in annex 9

13. REPORT ON THE WORKPLAN FOR THE LAST QUARTER

The table starting on p12 indicates all targets for Q1 and Q2 of year 1, the achievements and includes an explanation for the variance.

14. Annexes:

1. Beneficiary Target Tracking Table
2. Activity Tracking Table
3. Consolidated Member Work Plan for the next quarter
4. Pictures
5. Issues paper from CEPA on the National Climate Change Policy
6. Logframe
7. Full risk-register, including all initial risks
8. Fraud follow-up from MotherCare
9. Year 2-5 Budget
10. Budget Narrative for Year 2
11. Support Plan for Action Aid and Partners

Overview of ECRP and its member and partner organizations per district

