



World Vision



ECONOMIC
EMPOWERMENT

MALAWI » THRIVE: TRANSFORMING HOUSEHOLD RESILIENCE IN
VULNERABLE ENVIRONMENTS

PROGRESS REPORT: October 2017 through September 2018

Prepared January 2019

ECONOMIC EMPOWERMENT IN MALAWI

PROGRAM UPDATE

75,050 PEOPLE benefited from access to economic empowerment activities since the beginning of the project.

10,121 smallholder farmers used improved agricultural technology

Life-of-program target: 12,000

84%

14,810 members accessed financial services

Life-of-program target: 16,000

93%

9,461 members accessed new markets

Life-of-program target: 10,000

95%

PROGRAM OVERVIEW

Ireen Madzumbi, a mother of five children in Chilenje, once harvested only five bags of soybeans from her 2.5 acre plot. After learning farming technologies from the Transforming Household Resilience in Vulnerable Environments (THRIVE) program, she doubled her land—and increased her harvest eight-fold.

The Malawi THRIVE program helped nearly 7,700 smallholder farmers like Ireen to sell close to \$700,000 in crops in FY18, almost tripling the planned amount.

Through more than 80 demonstration plots, farmers learned improved

agricultural technologies. Nearly 90 commercial villages provided farmers with opportunities to collectively market their products. Almost 3,000 clients took out microloans to support and expand their businesses.

With her increased income, Ireen is able to pay school fees for her children and construct a new home. “I was one of the vulnerable people,” she said, but THRIVE has “induced a calling in me to help my fellow farmers.”

By increasing their skills and changing their mindsets, participants continue to develop sustainable livelihoods and become more resilient.

Thank you for your faithful and generous support to partner with World Vision in helping families move from dependence to dignity.



Ireen Madzumbi and her husband stand in front of their new house, built with the help of her increased farming profits. (Farm Concern International photo)

GOAL AND EXPECTED OUTCOMES

Seven-year program goal through September 2022: Provide access to economic empowerment activities for:

16,000 SMALLHOLDER FARMERS

101,760 PEOPLE

Expected outcomes:

Increased income for smallholder farmers

Improved management of natural resources for resilience to climate change

Improved systems for managing emergencies, shocks, and vulnerabilities

Enhanced biblical empowered worldview for smallholder farmers

Smallholder farmers sell collectively and experience price gains

All told, 9,461 farmers—94 percent of the target—have participated in producer groups in 89 commercial villages. In the past year alone, they have collectively sold 548 tons of soybeans, 217 tons of peanuts, 78 tons of corn, 61 tons of cassava, and 49 tons of rice to private buyers. In some cases, farmers who stored harvests benefitted from speculative price increases, selling in the off-peak season and realizing price gains of 29 percent for soybeans and 16 percent for peanuts. (More details on sales on the next page.)



World Vision economic empowerment program locations:

- NKHATA BAY
- CHIKWINA-MPAMBA
- NTCHISI
- NTHONDO
- LILONGWE
- CHILENJE
- NKHOMA

ANNUAL HIGHLIGHTS

Increased crop sales, improved agricultural techniques help farmers

Farmers achieved strong progress in several key areas, including access to profitable markets, production techniques, and business partnerships.

During the reporting period:

- 7,696 farmers participating in producer groups amassed sales of \$690,207, nearly triple the planned amount. They sold collectively at prices 8 percent higher than if they sold individually. Cumulative project sales have reached \$1,028,475, an amount that is 106 percent above the target. The number of producer groups accessing local markets rose 88 percent.
- Eight farmer field schools were initiated to demonstrate climate smart agricultural interventions. The events promoted irrigation, soil and water conservation, banana crop growth and management, and beekeeping.
- 400 people, including 263 women, were trained in Empowered Worldview, raising the total to 900 people trained so far to help them understand their God-given value and potential. Those 400 also were trained to collect data to track the impact of various project interventions. Each trainer will voluntarily collect data from up to 40 farmers.
- 2,235 people (93 percent of project target) were trained in financial literacy. The trainings helped participants to be more aware and knowledgeable about making productive financial decisions at both the household and community levels.
- VisionFund disbursed \$89,098, nearly two-thirds for business loans for enterprises related to tailoring, carpentry, grocery, timber, and restaurants. The other third went to agricultural loans for value chains for corn, tomatoes, potatoes, soy beans, cassava, peanuts, rice, and beans. Women made up 53 percent of the 2,973 borrowers.

SAVING AS A GROUP

14,810 people have participated in Savings 4 Transformation (S4T) groups so far, reaching 93 percent of the life-of-project target. They made up 1,148 savings groups that together saved \$421,336 by the end of FY18, a 32 percent increase from the first quarter.

PLANTING TREES

Communities affected by dry conditions or flooding planted 87,356 trees of different species to help curb the effect of climate change. That is an 82 percent increase from the number of trees planted as of a year ago.

IMPROVED FARMING

10,121 farmers have sowed improved seeds so far, with 1,466 using improved tools. Both totals at least doubled from a year ago. Also, 2,287 farmers used improved crop storage, an increase of 57 percent.



CHALLENGES AND LESSONS LEARNED

Challenges:

One-quarter of the buyers failed to keep promises to trade with farming communities, despite our thorough discussions and market facilitation efforts. Those prospective buyers cited logistical issues and problems with their customers who wanted to change purchase prices. To help offset these issues, partner Farm Concern International (FCI) has continued to engage a wide range of buyers.

Some farmers lacked understanding and demanded high prices based on a prior increase in global demand, not on existing demand. The project worked to help raise farmer

awareness of market dynamics and reasonable returns on investment.

Heavy rains, coupled with poor road networks, hampered operations in some areas. Collaboration is needed with other road network projects to both improve roads and mobilize farmers to participate in repairing village roads and paths.

Lessons learned:

Awareness meetings helped change attitudes in areas that recorded high loan default rates. Discussions dealt with misconceptions that loans from VisionFund (because of its relationship with World Vision) were interest-free.

Borrowers repaid \$31,026, which was 87 percent of the target. Also, the role of a specific loan officer was clarified to improve assessment and preparation of clients. In addition, the loan officer for Nkhoma and Chilenge was replaced so that borrowers did not take advantage of their long relationship with the officer to try to lower their required loan repayments.

Forums and discussions continued to help break the mindset of farmers who cling to old habits and resist acceptance of market demands (such as when farmers sought to sell unshelled peanuts, although the market demand was for shelled ones).

Trainings geared toward helping farmers grow, process, and sell product

Farmers, village leaders, commercial village trade facilitators, wholesale traders, and government officials were trained in demonstration plots, commercial villages, gross margin analysis, business relationships, post-harvest loss management, value addition, and other areas. Women made up 44 percent of 14,998 attendees. (Unique participant numbers could be lower if some people took part in more than one training.) More than 1,200 farmers went through food processing trainings that focused on turning soybeans and peanuts into soy flour and milk, peanut butter, animal feed, and other products. A follow-up session focused on packaging.

The project also helped farmers identify and make agreements with buyers, initiated buyer partnerships for value chains, and trained commercial village trade facilitators on using an e-trading platform and smartphone to disseminate information between farmers and buyers. FCI coordinates online negotiations to help prevent exploitation.



DEMONSTRATION PLOTS PROMOTE KEY PRACTICES

Eighty-four demonstration plots were mounted to promote the use of hybrid seeds and improved agricultural technologies by smallholder farmers. The plots emphasized low labor practices that were highly productive, including conservation agriculture, double-row planting for peanuts

and soybeans, disease control, and management techniques. A total of 6,142 farmers (47 percent women) participated in hands-on activities and learning from the demonstration plots.

FCI made frequent supervisory visits to all demonstration plots to reinforce

learning on increasing productivity through correct spacing, using soil amendments, growing improved plant varieties, and applying climate resilient practices. During these sessions, staff members were encouraged that farmers could explain the technologies promoted and the differences made.

Ethel Chilembwe, along with her children and husband, display the flavored ice and bottled water she sells. At right is the deep freezer she bought to help diversify her business.



CHANGING HER FAMILY'S FUTURE

Once not able to buy even a box of matches on her own, Ethel Chilembwe has turned into an entrepreneur, thanks to savings groups and her own desire to build a diversified income stream to help her family.



I am now able to supplement my husband's salary and we are living a happy life."

—Ethel Chilembwe

Titukulane means "let's uplift one another," a fitting name for a savings group in Kasinja village in Kasungu district in Malawi.

Ethel Chilembwe helped form and promote the 25-member group five years ago with friends. Back then, her family of five struggled to get by on the salary of her husband, a secondary school teacher.

"I used to depend on my husband for literally everything, including even [things] as small as a box of matches," she said.

Ethel, 41, began to save what she could in Titukulane and took out small loans for seeds, fertilizer, and other aids that increased her harvests of corn, peanuts, and soybeans.

She produces enough food to feed the family, including the couple's two

children—Yankho, 9, and Monica, 7—and Grace, 7, a dependent in her care. She also sells surplus food.

"Now I make my own income and [am] able to buy some household items," Ethel said.

From savings and dividends of about \$575, Ethel bought a deep freezer to diversify her income by making and selling flavored ice. She also produces and sells thobwa, a fermented drink made from corn and millet, and bottles water from a borehole for additional sales.

"Through savings group, I am able to pay school fees for my girl at Katete boarding primary school, which I could not have done before," Ethel said.

She already has plans for her next venture: a grocery shop at a trading center in the Mutchenda community.

FINANCIAL SUMMARY

Program-to-date spending expressed as a percentage of program-to-date funding.

Economic empowerment activities, including microloans



PROGRAM SPENDING

Summary	Program-to-Date Spending	Program-to-Date Funding Released to Project	Program-to-Date Spending Rate
Increased household incomes and productive assets	1,263,623	1,124,876	112%
Improved management of natural resources for resilience to climate change	675,122	831,304	81%
Increased resilience of livelihoods to emergencies, shocks, and disasters	175,413	233,469	75%
Smallholder farmers and families transformed from a culture of dependence to an empowered worldview	234,625	301,818	78%
Effective project management and monitoring system in place	184,908	143,322	129%
Management and Fundraising	844,564	878,263	96%
TOTAL	3,378,255	3,513,052	96%

Fiscal year 2018 is from October 2017 through September 2018.



World Vision is a Christian humanitarian organization dedicated to working with children, families, and their communities worldwide to reach their full potential by tackling the causes of poverty and injustice. Motivated by our faith in Jesus Christ, we serve alongside the poor and oppressed as a demonstration of God's unconditional love for all people. World Vision serves all people, regardless of religion, race, ethnicity, or gender.

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