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Malawi: The Emergency Drought Recovery Project

This project was designed and implemented (January 2003-November 2004) in response to Malawi's severe food crisis in 2002, caused by the drought and floods in 2001 and 2002, which resulted in a significant drop in maize output, the country's main staple food. The food crisis was exacerbated by a suboptimal harvest in the previous year. In addition, the Early Warning System (EWS) failed by predicting a food surplus when in fact a major food deficit was looming. Poor management of the Strategic Grain Reserve and an over-reliance on maize in the diet were additional factors which compounded the crisis. This combination of an IDA credit of \$29 million equivalent and a grant of \$21 million equivalent were used to finance 3 components. (i) Quick-disbursing assistance to support critical imports through a positive list of import requirements linked to the drought and recovery efforts; (ii) Augmentation of the purchasing power of families whose incomes had been reduced as a result of the crisis; and (iii) Support for project implementation, technical assistance and studies. The bulk of the credit/grant (\$40 million equivalent) went to support the first component.

Impact on the ground

- Regarding imports, \$10 million was used to retroactively finance imports related to fertilizer and petroleum products and \$30 million for the imports of medical and school supplies, veterinary drugs and livestock supplies, assorted spare parts, construction and agricultural equipment, agricultural inputs and fuel. Most of the disbursements against this component were for private sector imports.
- The imported petroleum and fuel were used mainly for the distribution of relief food to the needy and starter packs (maize feed and fertilizer) to restore productive capability. The importation of fertilizer helped improve fertilizer availability during the 2002/3 and 2003/4 crop seasons and to enhance and sustain crop yields. The medical supplies and equipment and school supplies helped improve the available health services and the delivery of quality education and learning. Some 2 million households were assisted to recover their productive capability.
- The quick-disbursing financing of critical imports contributed to stabilizing the Gross Official Reserves to around 2 months of import cover, and also to stabilizing the exchange rate and containing domestic inflation.
- The augmentation of the incomes of affected families was done by expanding the District Managed Programs of the Malawi Social Action Fund (MASAF), which included : (i) supporting public works projects consisting of labour-intensive works as a safety net scheme for targeted poor rural and urban areas; (ii) supporting sub-projects targeted at vulnerable groups; and (iii) strengthening the delivery mechanisms and the communication initiatives under MASAF. An estimated 1.4 million person days of public works employment transferred cash incomes in excess of Malawi Kwacha 300 million or approximately \$4 million, 171 hammer mills

were installed to directly benefit 4,000 orphans and low-income families, but also serving a wider catchment population in the 171 communities/villages in which these were installed.

- The school feeding program leveraged a WFP initiative by financing fuel costs, benefiting 210,000 pupils; an additional 115,098 pupils were given rations to take home.
- Under the third component, support was provided for initiatives such as full public discussions of the causes of the crisis and proposals to avoid its recurrence; Malawi's participation in SADC-wide efforts to craft a regional approach to prevent and manage crises; and the provision of short-term support to strengthen the agricultural advisory service available to small farmers to improve soil and water management.
- Other useful studies and pilot programs delivered during the project period included : livestock management, cassava cultivation, reduction of grain storage losses, informal irrigation and water harvesting and the publicizing of a drought-coping mechanism or beneficiary smallholder farmers, local treadle pump production, a blueprint for village grain banks and a market price information system with computer technology and training to set up telecenters for data processing and transmission (there are 16 active centers).

Lessons learned

- A technically sound emergency operation can only be designed and implemented on the basis of sound statistics and in the context of a credible policy. At the time of the emergency, critical economic and agricultural data were either lacking or, if available, were lacking in quality or dispersed amongst government and non-governmental institutions.
- Institutional arrangements that facilitate disbursements are critical – in this case, the project Coordination Unit (PCU) was given full authority to coordinate and execute the project, and was responsible to the Technical Steering Committee, which shielded it from interference by the technical line ministry.
- To make the maximum impact, emergency projects have to demonstrate quick wins in the shortest possible time, which entails starting with income transfer programs, etc. that gain momentum rapidly and peak within the first year of implementation. For this to happen, 2 conditions need to be met : (i) detailed implementation plans need to be developed and communicated, at the very latest by the time of project launch, to the whole range of stakeholders – this needs a dedicated and focused communication campaign; and (ii) only components with the capacity to peak rapidly should be given priority.
- Since the emergency operation should focus on impacting the affected target group immediately, safety nets should be given a high priority and be appropriately costed.
- An efficient monitoring and evaluation system needs to be developed and implemented as a priority – this system needs to be simple and standardized as time is of the essence in an emergency situation.
- A well-designed and implemented communication strategy is key to harmonizing donor efforts and facilitating constructive interaction between all the ministries at one level and between them and the other stakeholders such as the local communities and the private sector.
- To avoid being in response mode in these situations, the government needs to develop ex-ante instruments for responding to and managing extreme weather-based shocks. This would need the creation of workable risk and disaster management instruments.

This Infobrief was excerpted from Implementation Completion Report No. 32298. For more information, e-mail P.C Mohan: at pmohan@worldbank.org.

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