

Institution: SOAS
Unit of Assessment: 24B Anthropology and Development Studies: Development Studies
Title of case study: Improving understanding, policy and practice in Malawi's agricultural input subsidy programme (Andrew Dorward)
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>Achieving self-sufficiency in food production is a priority of the Malawi government. To this end, from 2005 the country has implemented a countrywide programme, costing at its peak over US\$270 million and 16% of the national budget, to subsidize smallholder farmers' access to high-quality seed and fertilizer. Professor Andrew Dorward's research from 2007 to the present on the implementation and impact of the programme has assisted a range of stakeholders including the Malawi Ministry of Agriculture and Food Security, international funders and national NGOs and Civil Society Organisations in making decisions and changing policies to improve its efficacy and effectiveness.</p>
<p>2. Underpinning research (indicative maximum 500 words)</p> <p>Dorward has had a varied career in development, research and training in several countries, with a primarily African focus. He has long-term interests in the livelihoods of poor rural people, in particular problems associated with seasonality, market access, institutions, and the interactions of agricultural and other activities in rural economies. Before joining SOAS in 2007, he worked at Imperial College's Wye Campus.</p> <p>During the 1980s and 90s government sponsored agricultural subsidies for farmers were conventionally considered to be costly, inefficient, ineffective and even counterproductive instruments for agricultural development and growth in developing countries. Since 2000, this view has been increasingly challenged by African governments and policy analysts critical of continued lack of growth in African agriculture. At the same time, new thinking on the role of government investment in 'kick starting markets' emerged, as did a new generation of market-friendly and time-limited subsidies.</p> <p>Dorward has led an international team researching the implementation and impact of the Malawi Agricultural Input Subsidy Programme, later called the Farm Input Subsidy Programme (FISP), introduced in 2005. From 2007 to 2010 the team included researchers from the University of Malawi, the Overseas Development Institute and Michigan State University, and from 2010 to 2013 from SOAS and the University of Malawi (with researchers from University of California, Berkeley, from 2013).</p> <p>The team's research has provided theoretical and historical underpinnings for a markedly different understanding of the potential contribution of subsidies to agricultural development and growth in poor rural economies like Malawi's, with significant implications for programme design and implementation. This foundational research has involved rigorous empirical analysis of the implementation and impacts of the programme. FISP is highly politicised within Malawi, where it was initially a core part of the former President's re-election strategy, and internationally, where extravagant claims of success were used to decry conventional neo-liberal policies while scepticism about such claims led to scepticism about the entire programme. As team leader, Dorward was both a critical driver of and participant in this work - conducting reviews, developing new theoretical insights, providing conceptual frameworks, leading the design of a household survey, and implementing rural livelihood and economy models, as well as leading interactions with the policy community.</p> <p>An early review (output f) enhanced understanding of the strengths and failings of subsidies in different contexts, the features of 'smart' subsidies, potential impacts on wider development and broad based growth as well as food availability, and political economy influences on such programmes. Research has also focussed on the negative consequences of and potential programme impacts on a 'low productivity trap' associated with Malawi's maize dependency and its cultivation by very poor semi-subsistence farmers.</p> <p>A distinguishing feature of Dorward's analysis is an emphasis on the role of subsidies in addressing <i>affordability</i> constraints on farmers, arising from financial market failures. This contrasts with more conventional analysis of subsidies addressing <i>profitability</i> constraints on farmers, arising from adverse prices and poor communication of key information. Also significant is Dorward's investigation of indirect benefits, including critical impacts on labour and</p>

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maize markets. Also significant is Dorward and the team's investigation of gendered access and impacts (output d) and indirect benefits, including critical impacts on rural wages and maize prices.

3. References to the research (indicative maximum of six references)

- a. 2013 Chirwa, E.W., and Dorward. A.R. *Agricultural Input Subsidies: The Recent Malawi Experience*. Oxford University Press.
<http://fdslive.oup.com/www.oup.com/academic/pdf/openaccess/9780199683529.pdf>
- b. 2013 Dorward A.R. and E.W.Chirwa *Impacts of the Farm Input Subsidy Programme in Malawi: Informal Rural Economy Modelling* Future Agricultures Consortium Working Paper 067
www.future-agricultures.org/publications/research-and-analysis/doc_download/1746-impacts-of-the-farm-input-subsidy-programme-in-malawi-informal-rural-economy-modelling
- c. 2011 Dorward, A. R., Chirwa, E. W. The Malawi Agricultural Input Subsidy Programme: 2005-6 to 2008-9 *International Journal of Agricultural Sustainability* 9 (1), January 2011.
<http://eprints.soas.ac.uk/9598/>
- d. 2011 Chirwa, E.W., Mvula P.M., Dorward A.R. and Matita, M. *Gender and Intra-Household Use of Fertilizers in the Malawi Farm Input Subsidy Programme* Working Paper 028 Brighton: Future Agricultures Consortium. <http://eprints.soas.ac.uk/16729/>
- e. 2011 Dorward, A. R., Chirwa, E. W., Jayne, T.S. Malawi's Agricultural Inputs Subsidy Programme over 2005-2009. pages 289-317 in *Yes Africa Can: Success Stories from a Dynamic Continent*. Chuhan-Pole P and M. Angwafo (eds) World Bank, Washington DC
http://siteresources.worldbank.org/AFRICAEXT/Resources/258643-1271798012256/YAC_chpt_17.pdf
- f. 2009 Dorward, A. Rethinking agricultural input subsidy programmes in developing countries. p 311-374 in A. Elbehri and A. Sarris (eds) . *Non-distorting farm support to enhance global food production*. Rome, Food and Agriculture Organisation of the United Nations
<http://www.fao.org/docrep/012/i1098e/i1098e00.htm>

Grant information:

Funded principally by competitive contracts from (DFID) with additional support for linked small linked studies from the Future Agricultures Consortium, Food and Agricultural Organisation of the UN (FAO) and other agencies.

DFID contract details:

Contract for 2006/2007 evaluation in progress and completed after joining SOAS in 2007.

Contract for 2008/9 to 2011/12 evaluations awarded 2008, annually renewed (actual cost £500K)

Contract for 2012/13 to 2014/14 evaluations awarded in 2012 (budget of £800K)

Output a is submitted in REF 2.

4. Details of the impact (indicative maximum 750 words)

The measured, objective analysis of the Malawi programme disseminated through the many publications, reports and briefing papers of Dorward and his team have elicited widespread interest amongst a great range of Malawian and international stakeholders, resulting in extensive policy engagement at many levels.

In Malawi, Dorward and his team have provided annual monitoring reports on FISP implementation and the estimated costs and returns to the programme since 2007. These have been received by policy makers at the Malawi Ministry of Agriculture and Food Security, by DFID in Malawi, who funds the reports' production, and by other international and national agencies in Malawi. These reports are complemented by frequent, regular meetings, presentations and workshops involving

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senior agricultural and economic policy makers, civil society representatives, development partners, NGOs and private sector seed and fertilizer suppliers. In addition, papers and policy briefing papers on specific issues such as improving targeting to potential subsidy recipients, gender impacts of the programme, and private sector engagement have been provided to different domestic stakeholders and international and bilateral donors. Since January 2008 Dorward has participated in no fewer than 8 review workshops and a large number of informal meetings in Malawi and authored or co-authored 11 briefing papers with a primarily in-country audience.

A number of changes recommended in and specific to these reports and briefings have been made to the programme (1 and 2 below), including:

- Changes to the allocation of subsidised inputs between and within districts were recommended in 2008 (to improve programme effectiveness, efficiency, and equity of programme impacts), and have been progressively implemented in annual allocations since then;
- The removal of cash crop subsidies for tobacco was recommended repeatedly until it was implemented in 2009;
- Improved targeting of subsidised inputs for efficiency and equity reasons was recommended in 2008 and there is evidence of increased, though still inadequate, access to subsidised inputs by women and vulnerable and poorer households

Other changes have been recommended by the team alongside other stakeholders and have been adopted to a greater or lesser extent over the life of the programme. These include earlier programming of all activities, public listing of beneficiaries (adopted in 2012), lesson learning from successful local innovations, improved coupon security features, improved cost control, greater involvement of small scale 'agrodealers' in subsidised seed sales, and increased provision of subsidised legume seeds. Changes repeatedly recommended and not implemented for a variety of (often political) reasons include some aspects of targeting, increased farmer contributions for inputs, and private sector engagement in subsidised fertiliser sales.

The team has also provided unique, consistent and comprehensive information, performance indicators, and commentary on the changing implementation and impacts of this unique and major programme from its inception, drawing on a unique integration of empirical and theoretical understanding of complex implementation and impact processes.

The success of Dorward's team in chronicling the successes and challenges of the FISP and proffering sound and relevant policy advice is corroborated by the citation of the research by programme funders. DFID has cited Dorward's findings extensively in internal programme documents justifying continued FISP investments. In November 2009 the Head DFID's Malawi Office cited the work of Dorward and the team when testifying to the UK Parliament Public Accounts Committee (3). The same year, the UK National Audit Office also referred to the research in its evaluation of the Malawi DfID programme (4).

Outside Malawi, Dorward and his team members have presented papers on input subsidies and the FISP programme at many wider African agricultural policy meetings, including at events sponsored by AGRA (Alliance for a Green Revolution in Africa), the Gates Foundation in Africa and the Future Agricultures Consortium, on whose website Dorward and his colleagues have made a number of published, working and policy papers freely available. Since 2008, Dorward has presented his research on the FISP at five regional agricultural development meetings in Africa, one occasion involving the Kenyan Minister of Agriculture.

The World Bank (6, 10), OECD, FAO (5, 11) and other international organisations have invited Dorward to present their research findings and/or have commissioned them to write papers on specific topics related to the implementation and development of the FISP (see for example output e and f).

The research of Dorward and his collaborators has made a substantial contribution to changes in attitudes towards agricultural input subsidies – helping to provide sceptics with theoretical

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explanations of context specific subsidy contributions and objective evidence of the Malawi programme's performance, and moderating the support from subsidy proponents with evidence of the subsidies' weaknesses, thereby providing all stakeholders with theoretical and empirical ground for exploration.

5. Sources to corroborate the impact (indicative maximum of 10 references)

1. DFID: Intervention Summary: Malawi Agriculture Programme 2011-2015
<http://projects.dfid.gov.uk/iati/Document//3717092> (Please copy and paste link into browser and download document) [Most recently accessed 22.11.13].
2. Government of Malawi (2010) A medium term plan for the farm inputs subsidy programme (2011-2016). Ministry of Agriculture and Food Security
3. DFID Head of Malawi Office and DFID Permanent Secretary both cited the work of Dorward and the team when testifying to the UK Parliament Public Accounts Committee
<http://www.parliamentlive.tv/Main/Player.aspx?meetingId=5260> [Most recently accessed 22.11.13].
4. National Audit office (2009) report by the Comptroller and Auditor General HC 964: Department for International Development Aid to Malawi <http://www.nao.org.uk/wp-content/uploads/2009/10/0809964.pdf> [Most recently accessed 22.11.13].
5. FAO Publication:
Dorward, A. Rethinking agricultural input subsidy programmes in developing countries. p 311-374 in A. Elbehri and A. Sarris (eds) . *Non-distorting farm support to enhance global food production*. Rome, Food and Agriculture Organisation of the United Nations
<http://www.fao.org/docrep/012/i1098e/i1098e00.htm> [Most recently accessed 22.11.13].
6. World Bank Publication:
2011 Dorward, A. R., Chirwa, E. W., Jayne, T.S. Malawi's Agricultural Inputs Subsidy Programme over 2005-2009. pages 289-317 in *Yes Africa Can: Success Stories from a Dynamic Continent* . Chuhan-Pole P and M. Angwafo (eds) World Bank, Washington DC
http://siteresources.worldbank.org/AFRICAEXT/Resources/258643-1271798012256/YAC_chpt_17.pdf [Most recently accessed 22.11.13].
7. Transcript of the session with DFID Permanent Secretary and DFID Head of Office:
<http://www.publications.parliament.uk/pa/cm200910/cmselect/cmpublic/uc96-i/uc9602.htm>
(Answer to Q41 makes explicit reference to the work of Dorward et.al.; answers to Q47 and Q102 make reference to important and unique findings of the work (though they are unattributed). [Most recently accessed 22.11.13].
8. House of Commons Committee of Public Accounts (2010) Department for International Development: Aid to Malawi Eighth Report of Session 2009–10
<http://www.publications.parliament.uk/pa/cm200910/cmselect/cmpublic/282/282.pdf>
(Paras 4 and 16 and associated footnotes make reference to information supplied in the hearing and the NAO report relying in part on work of Dorward et.al.) [Most recently accessed 22.11.13].
9. DFID in Malawi: Economist
10. World Bank: Two Senior Agriculture Economists
11. FAO: Senior Economist