

**Scottish Government International Development Programme
Mid-Year Report**

Notes for Completion:

- Please note, with the exception of the cover page, this report will be published.
- To ensure compliance with GDPR, refrain from using any personal or identifying information unless you have obtained consent from the data subject and are content for this to be made public.
- Answer all questions in the template provided, noting the word limits.
- Include all relevant information in the reporting template – hyperlinks and annexes will not be accepted as part of the report.
- Ensure answers are clear, concise and in plain English. Explain acronyms and avoid using jargon.

<p>Supporting Documentation</p> <p><i>Check box to confirm key documents have been submitted with this report</i></p>	<p>Logical Framework, which reflects any changes in this reporting period.</p> <p>Budget</p> <p>Case study</p> <p>Risk register</p>	<p align="center">✓</p> <p align="center">✓</p> <p align="center">✓</p> <p align="center">✓</p>
<p>As the project manager responsible for the completion of this report, I hereby confirm the information included is accurate and complies with the notes for completion.</p>		
<p>Scotland-based Project Manager: [redacted]</p>	<p>Signature: [redacted]</p>	

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1. General project information		
1.1	Project reference Number	MAL/18/11 - CW
1.2	Name of organisation	Challenges Worldwide
1.3	Lead partner(s) organisation	Opportunity International
1.4	Project title	Creating Robust Opportunities for Crop Production and Sale (CROPS)
1.5	Reporting period	From: 01/04/2019 To: 30/09/2019
1.6	Reporting year	Year 2
1.7	Project start date	01/10/2018
1.8	Project end date	31/03/2023
1.9	Total project budget*	£998,074
1.10	Total funding from Scottish Government*	£998,074
1.11	Provide a brief description of the project's aims, highlighting which of the Sustainable Development Goals (SDGs) your project is working towards? (200 words)	<p>CROPS Project aims at improving livelihoods of over 6200 rural farmers in Nkhotakota, Salima, Machinga and Chikwawa. The project seeks to increase household incomes of rural farmers in the 4 districts by 10% by 2023.</p> <p>The project contributes to SDG 8 (Decent work and economic growth) through economic growth demonstrated by 10 % increase in household incomes attributed to increased productivity, profitability of value added crops and sustainable local capacity to add value to crops.</p>
2. Project progress and results		
<p>Please use this section to give an update on the progress the project has made during this reporting period.</p>		
2.1	<p>Provide an update on the progress your project has made during this reporting period. Use this space to update us on what has gone well and any challenges you have experienced, detailing how you have overcome these. (Max 350 words)</p>	
	<p>There has been tremendous progress during the reporting period (April-September) in both the crop productivity and value addition aspects. The project developed a catch up plan to speed up implementation of activities in order to bring project schedule on track from Year 1 implementation delays.</p> <p>The following is the progress achieved during the reporting period:</p>	

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- 1.0. Increased rice yield from winter farming, from 2.5 tonnes per hectare in the baseline, to 4 tonnes per hectare. This represents 60% increase in yield attributed to the following activities:
 - i. The project conducted agricultural training to 4 Agricultural extension officers (3 males, 1 female) to enable them deliver agricultural trainings to farmers.
 - ii. The project designed and produced training materials being used by Agriculture Extension Officers in delivering trainings to farmers.
 - iii. The project facilitated rice winter farming in the VACs which covered 57 hectares of land, being cultivated by 558 farmers (283 males, 275 females, 190 youth, 22 elderly and 2 disabled).
 - iv. The project conducted agricultural production training to 2,845 farmers (928 males, 1341 females, 550 youth, 20 elderly, 6 disabled) with 47 % adoption rate recorded in the reporting period.
 - v. The project promoted the making of organic fertilizer by farmers which resulted in 190.7 tonnes of organic fertilizer being made. The organic fertilizer increases fertility of the soils, and is cheaper and environmental viable than organic fertilizers, and contributed to the increase in yield.
 - vi. The project established demonstration plots in all the districts for farmers to learn new technologies in crop production. One of the new technologies demonstrated is the System of Rice Intensification (SRI) which allows farmers to increase productivity while using less water and less organic fertilizer, and one seedling per station.
 - vii. The project trained 150 lead farmers (63 males, 52 females, 35 youth) who are capacitated to conduct farmer to farmer extension services. 1,385 farmers (707 males, 678 females) have been reached by lead farmers in the reporting period.

- 2.0. 7 out 10 Water User Associations (WUA) are operating effectively because of the following activities which were implemented in the reporting period:
 - i. The project enhanced capacity of WUA leadership through trainings in leadership, governance and financial management. The project trained 257 WUA executive members from all the 10 WUAs under the project. These trainings have resulted in good water management and distribution to farmers, which has led to increased production of rice.
 - ii. The project conducted constitutional review to 9 WUAs under the project with a purpose of improving governance of WUA members.

- 3.0. £1,244 gross profit was realised by each VAC on average during the reporting period (Average revenue of £2,150 and expenses amounting to £900 per VAC). This was achieved due to the following activities which were implemented during the reporting period:
 - i. The project conducted business development training to 4 Business Development Officers (3 males, 1 female) to enable them effectively deliver business and cooperative management trainings to VAC

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- members. The training was conducted by 2 trainers from Challenges Rwanda.
- ii. The project trained 8 machine operators (7 males, 1 male) in machine operation and maintenance in order to equip them with processing and machine maintenance skills.
 - iii. The project trained 660 farmers (317 males, 343 females) in post-harvest handling to reduce losses in crop quantity and quality for processing.
 - iv. The project conducted crop aggregation campaigns during the reporting period which resulted in 24 tonnes of rice and 1 tonne of pigeon pea being aggregated.
 - v. The project promoted value addition and processing activities which resulted in 7 tonnes of rice, 3 tonnes of High Quality Cassava Flour (HQCF) and 1 tonne of Dry Tool Dhall (Pigeon pea) being processed and packaged.
 - vi. The VACs processed 950 tonnes of rice from other rice traders as revenue generation activity to enable pay for expenditures such as electricity costs and wages for additional staff.
 - vii. The project conducted marketing search and linkages for the VACs which resulted in sales of 5 tonnes of packaged rice, 1 tonne of packaged (HCQF) and 1 tonne of packaged tool dhall. On average, each VAC identified 4 new buyers during the reporting period.
 - viii. The project increased the price per tonne of VAC processed crops from £588 to £749 per tonne, representing 27 percent average increase.
 - ix. The project conducted maintenance of processing machines to allow continuous processing of crops in all VACs.
 - x. The project supported VACs to attend district and national agriculture fairs where they clinched business deals with new buyers.
- 4.0. 41 percent of VAC costs were covered by VAC members during the reporting period due to the following activities which were implemented during the reporting period:
- i. The project trained 15 board of directors (all males) in leadership, governance and financial management which allowed them to provide oversight role in VAC operations, and increase transparency and accountability within the VACs. This resulted in all (4) VACs having functioning Board of Directors who are able to conduct quarterly board meetings.
 - ii. The project trained 64 members (40 males, 24 females) of VAC executive committees in leadership, governance and financial management which enhanced their skills in day to day management of VAC activities, and increased transparency and accountability within the VACs by setting up accounting and administration systems.
 - iii. The project facilitated development of 3 VAC constitutions with bylaws regarding operations of the VAC.

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2.2	<p>Have you experienced any delays to planned activities? Provide full details including what action is being taken to bring activities back on track.(Max 350 words)</p> <p>The project experienced delay in disbursement of loans to VACs by Opportunity International (project partner) due to late development of loan product for the VACs. The loan product has since been developed and the VACs will be assessed in the next reporting period for loan processing.</p>												
2.3	<p>Are you on track to meet your year-end milestones? Give details of any areas that are behind, and how you plan to overcome this. (Max 350 words)</p> <p>The project is on track to meet its year-end milestones as captured in the updated log frame.</p>												
<p>3. Partnerships and collaboration</p> <p>This section allows you to discuss how partnership working is progressing on the project, as well as wider collaboration and sharing of learning.</p>													
3.1	<p>Provide an update on how partnership working has gone during this reporting period. Let us know about any highlights, challenges or changes to roles and responsibilities. (Max 350 words)</p> <p>Challenges Worldwide is implementing CROPS Project in partnership with Opportunity International who are responsible for implementing access to finance activities for VACs.</p> <p>The partnership is progressing very well evidenced by frequent meetings and exchange of project information between the 2 partners.</p>												
3.2	<p>Have any international visits to the project taken place in this period? Give details including key activities and outputs of these visits.</p> <p>The project was visited 2 business trainers from Rwanda who trained newly recruited Business Development Officers (BDO) for CROPS project.</p>												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Date of visit</th> <th style="width: 30%;">Key achievements / outputs of visit</th> <th style="width: 30%;">Follow-up actions</th> </tr> </thead> <tbody> <tr> <td>12-18th May, 2019.</td> <td>4 BDOs trained in Business and cooperative management.</td> <td>BDOs tasked to conduct KAP analysis (Knowledge, Attitude, and Practice) to farmers who attend business trainings to assess effectiveness of trainings.</td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Date of visit	Key achievements / outputs of visit	Follow-up actions	12-18 th May, 2019.	4 BDOs trained in Business and cooperative management.	BDOs tasked to conduct KAP analysis (Knowledge, Attitude, and Practice) to farmers who attend business trainings to assess effectiveness of trainings.						
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4. Safeguarding and fraud			
Please ensure you complete questions 4.1 and 4.2 even if you have no incidents to report.			
4.1	Have there been any incidents, relating to the Grant or the Project, in the last reporting period which contravene your safeguarding policy?		
	No.		
4.2	Have there been any incidents in the last reporting period of financial mismanagement or fraud, relating to the Grant or the Project?		
	No.		
4.3	Have these incidents been reported to relevant authorities, and if so, to whom?		
	No incident occurred during the reporting period.		
4.4	Describe what action has been taken, and highlight any lessons learned.		
	No incident occurred during the reporting period.		
5. Risk assessment			
5.1	Have any issues materialised during this reporting period? If so, how were they addressed?		
	<i>Please refer to risk assessment provided at application stage.</i>		
Assumption	Risk	Action taken	Was this included in the Risk Assessment Table in your application?
Project will be on track with budget expenditures.	Slight overspend in the reporting period.	<ul style="list-style-type: none"> - Implementation of cost cutting activities such as the use of lead farmers to deliver farmer to farmer extension. - Quarterly variance reporting. 	Yes.
There will be favourable weather for crop production	Floods washed away crops and	<ul style="list-style-type: none"> - Promote replanting of the crop. 	Yes

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	houses for farmers		
6. Financial information			
This section will be reviewed alongside your mid-year budget spreadsheet, which must be included with this report.			
6.1	Explain any variances to planned expenditure in this period. (Max 350 words)		
	<p>According to mid-year budget spreadsheet, the project has slight budget overruns in some budget lines such as output 1, 2,3 and internal travel at this stage. This is so because the project implemented a catch up plan which was condensed with activities to bring the activity implementation schedule on track from Year 1 delays. Therefore, more activities were implemented in the reporting period than expected. However, the projected annual expenditure will be on track by the end of year 2.</p> <p>Secondly, the project reached out to more beneficiaries than planned as more beneficiaries showed interest to participate in project activities especially trainings. For example, the project planned to train 100 farmers in Year 1, but actually trained 2,845 farmers, which raised the associated expenditures.</p> <p>Thirdly, some activities were under budgeted during planning stage. For example, it was expensive to support VACs to attend national agriculture fair which costed almost 3 times as the planned expenditure due high costs of accommodation, fair materials and transport.</p> <p>Fourthly, the project overspent in machine maintenance as the VACs experienced frequent machine breakdown in the early stages of the reporting period. This is so because the machines had stayed idle for a long time (2 years) since installation.</p>		
6.2	At this stage, does your projected expenditure look to be on track? If not, outline the reasons why, and what plans are in place to bring spending back on track. If you are requesting changes to your budget at this stage, outline them below. (Max 350 words)		
	At this stage, the projected expenditure looks to be on track and the project will not record underspends or budget overruns.		
6.3	Do you have a proposal for how you would like to utilise any of your ring-fenced underspend, excluding any currency gains? (Max 350 words)		
	There is no ring-fenced underspend and currency gains from the expenditure in the reporting period.		
7. Any other information			
Use this section to tell us any other relevant information regarding your project. (Max 350 words)			

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