



FIVE YEAR **2023 - 2027** FARMERS UNION OF MALAWI **FUM**

STRATEGIC PLAN







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Abbreviations & Acronyms

AEC	Area Executive Committee
AIDS	Acquired Immune Deficiency Syndrome
ART	Antiretroviral Therapy
ASC	Agricultural Service Centre
ASME	Agribusiness Small and Medium Enterprises
ASWAp	Agricultural Sector Wide Approach
BDS	Business Development Services
CAADP	Comprehensive African Agricultural Development Programme
CISANET	Civil Society Agriculture Network
DEC	District Executive Committee
DFU	District Farmers Union
EPA	Extension Planning Area
FISP	Farm Input Subsidy Programme
FO	Farmer Organisation
FUM	Farmers Union of Malawi
G7	Group of Seven
GIS	Geographic Information Systems
GoM	Government of Malawi
HIV	Human Immunodeficiency Virus





HTC	HIV Testing and Counselling
ICT	Information Communication Technology
IOM	Integrated Organisational Model
LT	Long Term
M&E	Monitoring and Evaluation
MoA	Ministry of Agriculture
MGDS	Malawi Growth and Development Strategy
MoTI	Ministry of Trade and Industry
NAP	National Agricultural Policy
NASFAM	National Smallholders Farmers Association of Malawi
NES	National Export Strategy
NGO	Non-Governmental Organization
RFSC	Rural Farmer Service Centre
SP	Strategic Plan
SPS	Sanitary and Phytosanitary
SWOT	Strength, Weakness, Opportunity, Threats
TSWAP	Trade Sector Wide Approach
USAID	United States Agency for International Development
WRS	Warehouse Receipt System



Vision, Mission and Core Values

OUR VISION

“A Union of Malawi farmers with a powerful collective voice”

OUR MISSION

“To promote and safeguard the interests of all farmers in Malawi through advocacy, farmer organization, agribusiness and market development contributing towards a conducive agricultural operating environment for improved agricultural productivity, market access and increased farmer incomes”

OUR MOTTO

“The Voice of Farmers in Malawi”

OUR CORE VALUES

In pursuit of our vision and execution of our mission, Farmers Union of Malawi shall uphold and espouse the following values:

- i. **Integrity** – we abide by ethical and moral standards of fairness and honesty in all our undertakings
- ii. **Transparency and accountability** – we are committed to openness and timely reporting to our key stakeholders
- iii. **Passion for excellence** – we are driven by a pursuit for making outstanding, lasting and significant contributions to those we serve
- iv. **Innovativeness** – we believe in creativity and continuous improvements in the conduct of our business
- v. **Inclusivity** – we believe in involving all our members and key stakeholders in planning and executing our activities
- vi. **Upholding democratic culture** – we are committed to unity in diversity, respecting and upholding diverse opinions
- vii. **Collective action** – we value teamwork as it makes us work together harmoniously toward common goals





Acknowledgments

The Management of FUM wishes to acknowledge the cooperation it received from different stakeholders in the development of its 2023 – 2027 Strategic Plan. FUM is very grateful to all the stakeholders including farmers and members of staff for their valuable input towards the development of this plan. The specific knowledge of those consulted on topical issues was pivotal in ensuring that the Strategic Plan is inclusive, comprehensive and technically sound. In addition, the Board of Directors provided clear guidance on the strategic direction to be undertaken by FUM. All parties consulted were quite generous with their time and provided useful insights that made the development of this Strategic Plan possible. The development of this Strategic Plan has been possible with generous financial support from We Effect and United States Agency for International Development (USAID).



Message from the FUM President



I feel honoured to present the successor Strategic Plan for the Farmers Union of Malawi that will run from 2023 to 2027. This follows conclusion of our previous Strategic Plan that we implemented from 2017 to 2021 with a focus on contributing towards inclusive agricultural transformation and enhanced farmer incomes through increased farmer productivity, food and export diversification and access to structured markets.

This focus was identified to align with the aspirations of the National Agriculture Policy,

Malawi Growth and Development Strategy and the National Export Strategy I.

With the conclusion of the previous Strategic Plan, I am delighted to report significant strides that have been achieved in the past five years.

Notably, the voice of farmers in evidence-based policy formulation and implementation processes was greatly amplified with active policy advocacy and engagement with relevant government ministries, departments and agencies. The Union also developed and nurtured strategic partnership with the private sector players, non-state actors and development partners in order to harness synergies on agricultural transformation drive. Of particular importance is the strengthening of FUM's governance and institutional structures both at national and district levels.

For the past five years, we remained steadfast and vigilant in advancing the mission of the Union which is to promote and safeguard the interest of farmers. Our main agenda was to ensure incorporation of farmers' voice in all Decentralized

Agricultural Extension Services System structures and multi-level policy dialogue fora. However, despite the registered successes, implementation of the Strategic Plan faced unprecedented adverse external factors such as with the Covid 19 Pandemic being a major hindrance. Escalation of global conflicts, climate change induced cyclones and droughts, and increased global prices of fertilizers and fuel further exerted pressure on



the successful implementation of our previous Strategic Plan.

However, they are situations like these that demand great dynamism and adaptability for the Union to continue exercising its mandate and mission. As Charles Darwin said, “It is not the strongest that survive, nor the most intelligent. But it is those who are most adaptable to change.” It is for this reason that I present our new Strategic Plan that has been developed to reflect macro-environment changes that have taken place in the past five years.

Most importantly, a need for renewed strategic direction has been necessitated by a change in Malawi’s development aspirations through the Malawi 2063 (MW2063) and its ten-year implementation plan (MIP-1). It is for this reason that we launch this Strategic Plan under the theme ‘Achieving sustained and inclusive increase in agricultural productivity and commercialization’.

Furthermore, FUM continues to operate within the framework of the Sustainable Development Goals (SDGs) at global level and the Comprehensive Africa Agriculture Development Programme (CAADP) at the continental level. However, formulation of this Strategic Plan has further been informed by the newly developed national policy blueprints such as the National Agricultural Policy II, National Export Strategy II, Farmers Organization Development Strategy, National Fertilizer Policy, National Agriculture Extension and Advisory Services Strategy,

National Livestock Strategy, Agriculture Sector Food and Nutrition Strategy, SUN Strategy 3.0 and the National Forest Landscape Restoration Strategy among others.

Now that the new Strategic Plan has been launched, the stage is set. We look forward to the continued partnerships and alliances with the government, private sector players, and development partners and other stakeholders as we all peddle towards an inclusively wealthy and self-reliant industrialized upper middle-income Malawi.

Ms. Maness Nkhata

FUM PRESIDENT



Statement by FUM Chief Executive Officer



The launch of this Strategic Plan marks the end of rigorous and wider consultations with our membership, the private sector, development partners and various government ministries, departments and agencies. However, this also marks the beginning of a more challenging task of translating into action the aspirations that have been laid out in this Strategic Plan. For sure, FUM cannot successfully implement the Key Results Areas that are in this Strategic Plan alone.

Nevertheless, we are very confident of delivering on this Strategic Plan considering our broad and diverse membership and strategic partnerships that we have built over the past two decades.

This Strategic Plan recognizes that challenges affecting Malawi's agricultural sector are multi-layered and multi-faceted. As the contextual analysis reveals, bottlenecks are still prevalent on production side, marketing channels, policy and regulatory arena. Reforms in these areas



are required if Malawi's agriculture is to achieve meaningful transformation. Furthermore, the emergency of cross-cutting themes such as environment and natural resource degradation, climate-change, conflicts, pandemics, and social exclusion compels the need for holistic and systems approach for resilient, vibrant and sustainable food systems that are inclusive of women, youths and other vulnerable groups.

It is for this reason that this Strategic Plan has an overarching goal of contributing towards agricultural transformation through increased productivity, commercialization and diversification of Malawi's export base and food basket. This goal is anchored by five Key Result Areas (KRAs) that will focus on: strengthening farmers voice in policy formulation and implementation, increasing agricultural productivity and commercialization, promoting climate-smart and nutrition-sensitive agriculture, empowering women and young farmers, and strengthening the sustainability of the Union. The Key Result Areas have been identified not only to address challenges that are affecting farmers in Malawi but also to contribute towards addressing systematic bottlenecks that are clogging the performance of the Malawi's agriculture sector at large. This will greatly contribute towards the long-term national aspirations of inclusively wealthy and self-reliant industrialized upper middle-income Malawi. More importantly, we strongly believe that meaningful agricultural transformation cannot be achieved if farmers themselves are not placed at the center of the transformation process.

It is for this reason that the Strategic Plan is further focusing on strengthening capacity and sustainability of FUM and its membership. The Union fully comprehends that strong and vibrant membership is very critical in advancing farmers' interests.

However, just as the development of this Strategic Plan involved wide consultations from various stakeholders, we look forward to more collaboration and partnerships in its implementation. The challenges facing Malawi's agriculture sector are diverse and keep evolving. Collaboration and synergy building is therefore the only sure way of effectively addressing them. Let's set sail and go for an interesting five-year audacious voyage together.

Jacob Nyirongo

CHIEF EXECUTIVE OFFICER

Executive Summary

Malawi growth paths are so limited and agriculture remains the most viable option in the foreseeable future if the country is to achieve inclusive growth. First, the agricultural sector in Malawi needs to be transformed if it indeed is to spur this inclusive growth. Agricultural transformation in this case refers to increasing productivity (both land and labour) and diversification of both the export and food base.

Also, Malawi needs to quickly mechanise and commercialise its agriculture. This is consistent with the Pillar One of Malawi 2063, which emphasises on agriculture productivity and commercialisation. Further, Malawi can maximise the potential its agricultural sector has if it consistently implements relevant evidence-based policies, be more predictable in the way these policies are implemented in order to attract serious investments in this sector.

However, Government needs strong partners if it is to successfully deliver Pillar One of the Malawi 2063. FUM has been a credible partner in the agricultural sector providing some strategic services to its farmer members such as capacity building. It has also been in the forefront generating and sharing information which helps Government in the formulation of evidence-based policies. In order to remain relevant and a reliable player in this sector, FUM must not only keep pace with the current issues in this sector but also strive towards achieving its own financial sustainability to ensure it is more independent and focused on delivering its core functions.

Therefore, the Farmers' Union of Malawi (FUM) has developed a Five Year (5 year) Strategic Plan (SP), building on the successes and learning from the failures of the FUM 2017-2021 SP. This will enable FUM fulfil its core mandate.

Developing the FUM 2023-27 Strategic Plan involved the following:

- Reviewing of the vision and mission based on the mandate of the Farmers Union of Malawi (FUM);
- A stakeholder mapping and analysis.
- A situation analysis of FUM
- Identifying focus areas and develop strategic objectives and Key Result Areas (KRAs);
- A review of the institutional capacity, organizational set-up, financial and administrative systems against the FUM mandate and the identified strategic objectives and KRAs;
- Develop a strategy for achieving the strategic objectives and key results;
- Developing a Results and Resources Framework (RRF) for the plan period

As part of situation analysis, A SWOT analysis was used to examine FUM's strengths, weaknesses, opportunities and threats, both from a current and future perspective.

The strengths of FUM includes: staff with right skills and experience to effectively deliver FUM mandate; FUM is a strategic partner with its mandate and core services well aligned with Government growth agenda; FUM structures



(District Farmers Unions-DFUs) at district level, if well-established, would provide good lobbying and advocacy platform to feed into Ministry of Agriculture policy and activity planning processes; a diverse membership with country-wide coverage makes FUM an important player in the agricultural sector; and a well-functioning financial systems with proven experience in managing donor funds (USAID, UK-DFID, EU, World Bank, Irish, Norway, SIDA through WE EFFECT).

However, FUM needs to urgently address the **following identified weaknesses** that limit the organisation from maximising its full potential: Limited unrestricted funds, as such FUM does not have enough fiscal space to fund its core functions (Institutional Development, Agribusiness and Markets; Policy -lobbying, advocacy and influencing); FUM grass-root support is still weak as the District Farmer Unions (DFUs) are not well developed and poorly funded; poor service delivery by FUM to its members weakens loyalty of members which impinge on resource mobilisation; majority of smallholder farmer members not commercially oriented—subsistence farmers.

FUM can take advantage of the following opportunities: Government and development partners in Malawi are focusing more on commercialisation, which will help improve the calibre and mind-set of FUM smallholder members; FUM can also leverage on the current commercialisation drive, in line with Malawi

2063, to create various products as a service to its members, such as linking farmers to off-takers, FUM has relevant experience working with strategic development partners such as USAID, World Bank, EU, FCDO, Flanders, Irish Aid, Norway as demonstrated by the many donor projects FUM is implementing in the country; FUM should take advantage of the growing interest by development partners to work with non-state actors in the implementation of the agricultural development program implementation and; increased interest and focus on youth and women by both Government and development offers FUM an opportunity to strengthen partnership and relevance if it packaged and delivered tailor made services for these vulnerable groups.

FUM faces some threats that need to be well managed; for example, most development partners provide restricted funds with specific deliverables and therefore limits FUM to focus on its overall strategic mandate. FUM, just like most non-state actors (farmer organisations and civil society) heavily depend on donor funding.

The overarching goal of FUM over the next five years is to contribute towards agricultural transformation, whereby the sector achieves increased productivity, commercialisation and also, has more diversified export and food base. This is in line with Pillar One of the Malawi 2063.

To achieve the above, the following Key Strategic Areas (KRA), outcomes and outputs were

selected to be critical for the 2023-2027 Strategic Plan of FUM:

Key Result Area 1: Strengthen the voice and influence of farmers in the formulation and implementation of agricultural evidence-based policies in Malawi;

Outcome 1.1: FUM capacity to influence Government, in evidence-based policy formulation and implementation is strengthened

Outcome 1.2: Partnerships with Non-State Actors for effective policy dialogue strengthened.

Key Result Area 2: Contribute towards increased agricultural productivity and commercialisation in Malawi;

Outcome 2.1: FUM members' organisational and agribusiness capacities to actively participate in commercialisation initiatives increased

Outcome 2.2: Productivity of FUM members increased

Outcome 2.3: Commercialisation and value-addition of FUM members increased.

Key Result Area 3: Promote climate smart and nutrition sensitive agriculture among FUM members for a sustainable agri-food system;

Outcome 3.1: Resilience of farmers to climate

change related shocks increased

Outcome 3.2: Sustainable use and management of land and water resources enhanced

Outcome 3.3: Access to and consumption of diverse and quality foods by women, men and children increased

Key Result Area 4: Empower women and young farmers economically and socially;

Outcome 4.1: Access to and control over productive resources and income by women and young farmers increased

Outcome 4.2: Access to and consumption of diverse and quality foods by women, men and children increased

Key Result Area 5: Build a farmers' Union that is sustainable and financially independent.

Outcome 5.1: Financial portfolio for FUM increased and diversified

Outcome 5.2: FUM's governance, financial and business management systems strengthened

A Log-Frame (LF) was used to define what set of actions FUM would need in order to achieve and measure the results. The LF is important to help FUM strengthen project design, implementation and evaluation.





1.0 Background and Rationale for the 2023-2027 Farmers Union of Malawi (FUM) Strategic Plan

Malawi economy is heavily depended on agriculture contributing over 80% of the export earnings, 80% of the labour force and livelihoods. With only tobacco contributing 60% of the export revenue, Malawi economy has a serious structural problem. Further, agriculture is mainly rain-fed with only less than 10% of the irrigation potential being exploited. Agriculture in Malawi is mainly anchored by low productive smallholder farmers who hold more than 80% of the agricultural land. Smallholder producers only maximise less than 40% of potential due to a number of reasons including inadequate access to competitively priced agriculture finance, inadequate access to structured markets, inadequate use of modern technologies (including certified seeds and inorganic fertilisers, irrigation), limited mechanisation, inadequate access to research and extension and inadequate availability of skilled labour.

These factors have contributed to a political economy that has sustained a poor and high-cost business climate, which has both constrained the productivity of individual firms and slowed productivity convergence (Gelb et al. 2014, emphasis added).¹

Malawi growth paths are so limited and agriculture remains the most viable option, in the foreseeable future, if the country is to achieve inclusive growth. First, the agricultural sector in Malawi needs to be transformed if it indeed is to spur this

inclusive growth. Agricultural transformation in this case refers to increasing productivity (both land and labour) so that part of these scarce resources can be diverted to other high value and competitive sectors. Transformation also refers to diversification of both the export and food base of the country. Malawi needs to quickly mechanise and commercialise its agriculture. This is consistent with the Malawi 2063 Pillar One on agriculture productivity and commercialisation. Strong economic take-off for Malawi will rely on a more vibrant, commercialised and well diversified agricultural sector. Malawi can maximise the potential its agricultural sector has if it consistently implements relevant evidence-based policies, be more predictable in the way these policies are implemented in order to attract serious investments in the sector and also, address some of the critical bottlenecks aforementioned above.

In order for Government to remain on course on the agriculture transformation agenda, it needs strong partners. FUM has been a credible partner in the agricultural sector providing some strategic services to its farmer members such as capacity building. FUM has also been in the forefront generating and sharing information, which helps Government in the formulation of evidence-based policies.

FUM operational strategy focuses on three broad areas; Institutional Development and Investment, Agribusiness and Market Access, and Research, Policy and Partnerships. Under the

Institutional Development and Investment, FUM has provided capacity development support to its members to ensure that members have good governance structures and systems for ensuring member control of the farmer organizations and effective and efficient member services. Through the Agribusiness and Market Access focus area it supports its members on development of agribusiness plans and linkages to high value and structured markets. FUM has also supported its members in production based on market demand and requirements through facilitating forward contracts between buyers and Farmers organizations. On Policy and Advocacy, FUM has systematically engaged in agricultural policy advocacy work. FUM has played a critical role on advocacy at policy level through the National Agricultural Policy institutional framework bringing in the voice and priorities of farmers in Malawi into the policy discourse.

To achieve its mission, FUM developed a Strategic Plan covering a set period from 2017-2021. The Strategic Plan (SP) provided strategic direction over the years during which the organization has undergone major transformation and evolution processes in terms of visibility, institutional and business growth, advocacy and policy influence and programming. In order to remain relevant and a reliable player in this sector, FUM must not only keep pace with the current issues in this sector but also strive towards achieving its own financial sustainability to ensure it is more independent and focused on delivering its core functions.

Therefore, the FUM 2023-2027 Strategic Plan is timely in order to build on the successes and learn from the failures of the FUM 2017-2021 SP.



3.0 Strategic Plan Development Process

Multiple research methods were used to inform the process of developing this Strategic Plan. Some of the methods that were used include desk research and key informant interviews to understand the mandate of FUM and expectations from its stakeholders. A review of the previous FUM Strategic Plan (2017-2021) was undertaken to take stock of what was and not achieved and the reasons for such success and failure. This information was crucial to inform the 2023-2027 SP formulation.

3.1 Stakeholder Analysis

Stakeholder analysis involved these three steps.

Step 1: Identifying FUM's stakeholders. With the participation of FUM staff and other key informants, a list was drawn for all stakeholders who are affected by FUM's work or who have a vested interest in its success or failure.

Step 2: Prioritising FUM's stakeholders. The identified stakeholders were prioritised by assessing their level of influence and level of interest using a Stakeholder Power Interest Grid. Through the Stakeholder Power Interest Grid Analysis FUM was able to segregate stakeholders into their different categories and appropriate actions required as follows:

- ❖ High power – High interest: these stakeholders are likely to be decision makers and have the biggest impact on FUM's success. FUM will therefore need to

- ❖ keep these stakeholders close, to manage their expectations.
- ❖ High power – Low Interest: these stakeholders need to be kept in the loop with what is happening on the project. Even though they may not be interested in the outcome, they yield power. These types of stakeholders should be dealt with cautiously because they could use their power in a negative way if they become unsatisfied.
- ❖ Low power – High interest: FUM will need to keep these people adequately informed, and talk to them to ensure that no major issues are arising. These people can often be very helpful with the detail of your project.
- ❖ Low power – low interest: FUM will need to monitor these people, but do not spend time and energy with excessive communication.

Step 3: Understanding FUM's key stakeholders

Some of the identified FUM stakeholders were followed up to understand how they feel about FUM. Among others, interest was to find out if they have a financial or emotional interest in the outcome of FUM's work, what motivates them the most; which of FUM's prioritised areas is relevant to them, and what is the best way to relay that information; what is their current opinion of FUM's work and whether or not that opinion based on accurate information.



3.2 Situation Analysis

A Situation analysis was conducted using a SWOT analysis to examine FUM's strengths, weaknesses, opportunities and threats, both from a current and future perspective. Ultimately, the goal of FUM is to continue building on strengths while reducing weaknesses.

It should be pointed out as a guiding tool that when performing a SWOT analysis, strengths and weaknesses were derived from an internal evaluation of FUM business, while opportunities and threats involved an external review.

A combination of desk review and key informant interviews was used to get this information. A brainstorming session with some FUM staff was also undertaken.

Consultations with FUM management and staff was also done together with a Key Informant Interviews (KII) to identify focus areas and develop strategic objectives and key result areas. Also, a desk review was conducted to complement the KII.

The previous 2017-2021 FUM SP was a useful resource in this process.

FUM management and staff and other strategic Key Informants were also engaged to review the institutional capacity, organizational set-up, financial and administrative systems against the FUM mandate. A due diligence analysis (DDA) was also conducted.

3.3 Results and Resource Framework

Results frameworks (RF) and logical frameworks (log-frames) are the second and third logic models drawn from the Theory of Change as you “map out” the logic of your project. Like the theory of change, these logic models provide a visual representation of the identified need and the changes you want to see happen through the project.

A results framework comprises three components: a Results Diagram; a Results Measurement Table; and a Monitoring and an Evaluation Work-plan (refer to main SP 2022-26 report). In developing the RF, FUM's Goals, Strategic Objectives (SOs), Intermediate Results and Outputs were drawn.

3.3.2 The Log-Frame (LF)

The log-frame is the third, and most specific, logic model. It is a visual representation of the project that describes its key features and the specific logical linkages between them. The LF was used to define what set of actions FUM would need in order to achieve and measure the results.

The LF will help FUM strengthen **project design, implementation and evaluation**. The LF helped organize the thinking, set performance indicators, allocate responsibilities and communicate effectively. The detailed LF is presented in the full version of this 2022-26 SP.

4.0 Mandate and Institutional Setup

4.1 Mandate

FUM is an umbrella body of farmers' organizations in Malawi established in 2003 under the Trustees Incorporation Act. The overall objective of FUM is to have a union of farmers in Malawi with a powerful collective voice that safeguards the interests of all farmers through advocacy, farmer organisation, and agribusiness & market development, contributing towards a conducive agricultural operating environment for improved agricultural productivity, market access and increased farm income.

Since its establishment, FUM has steadily increased its outreach and recognition within the country's agriculture sector. FUM development focus has been guided by strategic plans, and the last one (2017-2021) expired in 2021. It is noted that 2017-2021 Strategic Plan has enabled the organization to substantially become more relevant to its broadened membership and the sector at large.

The Union derives its mandate from its Constitution, which sets out the following objectives:

- i) To promote and safeguard the interests of the Union in Malawi;
- ii) To facilitate the building of capacity of the membership of the Union;
- iii) To facilitate production and marketing of products for the membership of the Union;

- iv) To promote linkages and networking of members of the Union;
- v) To promote and develop sustainable economic and financial development of the membership of the Union;
- vi) To promote access to resources and services by the members of the Union;
- vii) To mediate in disputes between members of the Union or those involving other organisations.
- viii) To play an advisory role in contractual agreements involving members of the Union and other organisations; and
- ix) To do such other things as may be deemed necessary, incidental, expedient or conducive to the attainment of the objectives of the Union.

4.2 Vision and Mission

The Vision of FUM is to have ***“a Union of Malawian Farmers with a powerful collective voice to advance the interest of farmers.”*** So far, FUM has been growing and increasing its total membership to 1,024,843 farmers spread across the country. This consist of 1,024,193 individual smallholder farmers organized into 256 farmer organizations across the country and 650 medium and large scale farmers. FUM has established itself and is well recognised and supported by Government as indeed a national umbrella body representing



all the farmers (small, medium and large scale farmers) in Malawi.

However, while FUM has made some significant strides to establish a national platform for itself (mainly the secretariat) some of its strategic stakeholders including Government and development partners are of the view that the organisation needs to prioritise mobilisation and development of district structures to strengthen voice and participation of smallholder farmers on the ground—who are the largest constituency.

In other words, FUM is yet to establish and achieve a strong collective voice that advances the interests of all farmers in Malawi. Since a vision describes what an organisation wants to be in the future, FUM's vision is yet to be fully achieved and therefore still relevant. Therefore, the 2023-2027 FUM Strategic Plan should contribute towards attaining this vision. FUM's mission is to safeguard and promote the interests of all farmers and create a conducive

agricultural operating environment for increasing productivity, market access and farmer incomes. Its mission does not only articulate how it wants to achieve its vision but is also well aligned with Pillar One of the Malawi 2063, which aims at increasing agricultural productivity and commercialisation. A strong and active Farmers Union will, therefore, be instrumental and a strategic player to help Government attain its vision for the agriculture sector.

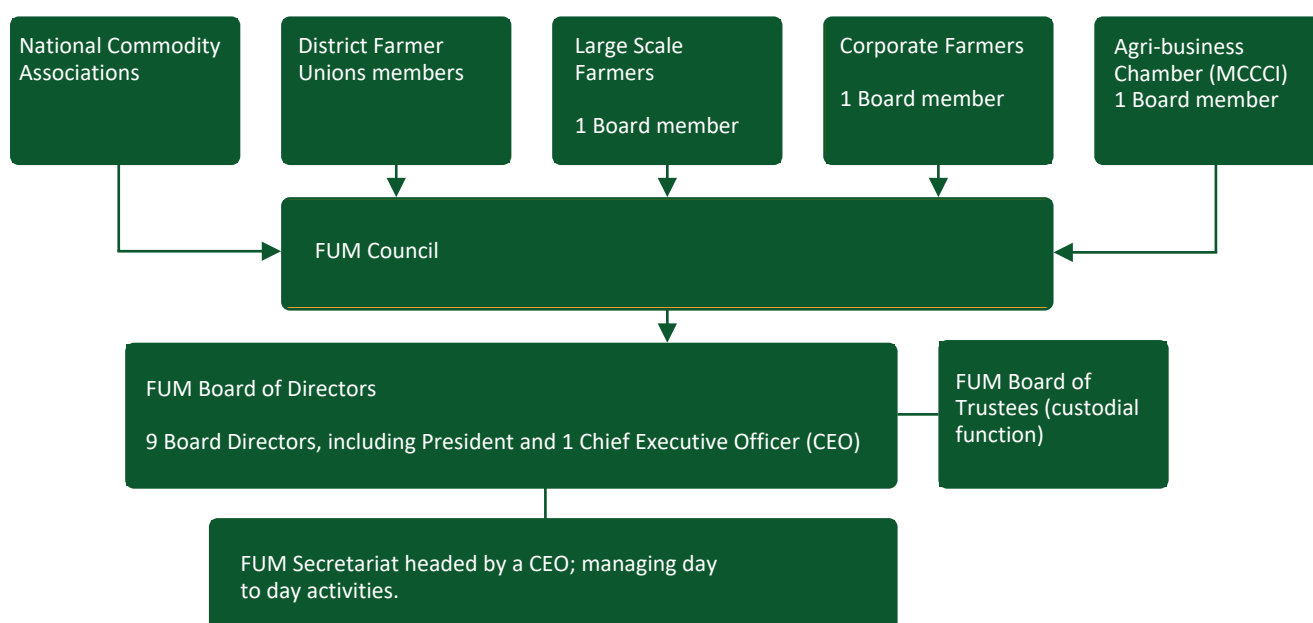
FUM's mandate is also well aligned with the Government's other policies such as the National Agriculture Policy (NAP). The NAP is intended to provide a comprehensive framework to guide activities in the agriculture sector. The aim of the policy is to ensure sustainable agricultural production, increased mechanization, increased area under irrigation, increased agro-processing and value addition, enhanced risk management, strengthened marketing systems, accelerated export growth, and improved food security and nutrition.



4.3 Institutional Set Up

As demonstrated in Figure 3, representation of the FUM Board is diverse as it comprises representatives from commodity associations (4 Board Members), general farmer organisations (2 Board Members), large scale farmers (1 Board Member), corporate farmers (1 Board Member), and Agribusiness chamber (1 Board Member).

Figure 3: FUM membership structure



The executive powers of the Union are vested in its Council, which is its highest policy making organ. The Council comprises Chairpersons of District Farmers' Unions, Chairpersons of Commodity Associations or Cooperatives, three representatives of Corporate Members or their Associations, two representatives of affiliate members, and Chairperson of Agribusiness Chamber of Commerce. From the Council is derived the Board of Directors, which oversees the work of the Union. The Board of Directors is composed of the elected FUM President, three directors representing District Farmers'

Unions based on regional representation, two directors representing commodity associations (one representing crops and the other livestock, one of whom shall be the Vice President), one director representing corporate members, and one director representing the Agribusiness Chamber of Commerce. The Union and Council are supported by a Chief Executive Officer who serves as Secretary to the Board. He is in turn supported by directorates that are organised along the three key pillars on which the business of the Union hinges. These are:



Research Policy and Partnerships; Agribusiness and Mark Access; and Institutional Development. The Union also has cross cutting directorates of programmes and finance and administration. The three pillars supporting the FUM directorates are well aligned with the agriculture productivity and commercialisation agenda being pursued by Government under the Malawi 2063. FUM has diverse representation of farmers that need to be harnessed well. The medium, large scale and corporate farmers, if well mobilised and organised, would provide the required financial muscle while the smallholder farmers provide the necessary political constituency to strengthen the voice of the union.



5.0 Situation Analysis

A SWOT analysis is a method under situation analysis that was used to examine FUM's strengths, weaknesses, opportunities and threats, both from a current and future perspective. SWOT stands for internal strengths, internal weaknesses, external opportunities and external threats. Ultimately, the goal of FUM is to continue building on strengths while reducing weaknesses.

When performing a SWOT analysis, strengths and weaknesses were derived from an internal evaluation of FUM business, while opportunities and threats involved an external review. The process was more participatory involving a key informant interviews (KII) and a brainstorming session with FUM staff. Also, a desk review was to complement the information.

5.1 A SWOT Analysis

5.1.1 Strengths

- Staff with right skills and experience to effectively deliver FUM mandate.
- Well diversified board with right skills to provide an oversight function and policy direction including desired growth path for FUM.

- FUM mandate and core services well aligned with Government growth agenda as such recognised and given space by Government, especially the Ministry of Agriculture-which is a key ministry.
- At District level, FUM structures (District Farmers Unions-DFUs) if well-established would provide good lobbying and advocate platform to feed into Ministry of Agriculture policy and activity planning processes.
- Diverse membership with country-wide coverage makes FUM an important player in the agricultural sector.
- Well-functioning financial systems with proven experience in managing donor funds (USAID, UK-DFID, EU, World Bank, Irish Aid, Norway, SIDA through WE EFFECT).
- FUM has proven business proposal writing skills, which is strategic in resource mobilisation.

5.1.2 Weaknesses

- Limited unrestricted funds and therefore FUM has limited fiscal space to fund its core functions (Institutional Development, Agribusiness and Markets; Policy -lobbying, advocacy and influencing).
- DFUs not well developed and poorly funded as such grass-root support is weak.



- Poor service delivery by FUM to its members weakens loyalty of members which impinge on resource mobilisation. Limited staff compliment/head count due to funding limitations affect service delivery.
- FUM's Agribusiness and Monitoring and Evaluation functions are weak.
- Majority of smallholder farmer members not commercially oriented—subsistence farmers.
- Many of FUM member FOs lack capacity in leadership, organisational development, marketing, and entrepreneurship development as well as cooperative development, which sometimes makes it difficult to provide relevant services to their members.
- products as a service to its members, such as linking farmers to off-takers, partner with Government or other private players to offer specialised trainings to its members.
- FUM has relevant experience working with strategic development partners such as USAID, World Bank, EU UK-DFID, Flanders, Irish Aid, Norway as demonstrated by the many donor projects FUM is implementing in the country.
- Pillar one for Malawi 2063 focuses on agriculture commercialisation. As such, FUM has potential develop more membership of commercially oriented commodity groups/ cooperatives.
- There is increased donor interest to use non-state actors for agricultural development program implementation.

5.1.3 Opportunities

- FUM has good support from Government and other strategic stakeholders (farmers and other non-state actors) as the umbrella body representing farmers in the country.
- Government and development partners in Malawi are focusing more on commercialisation, which will help improve the calibre and mind-set of FUM smallholder members.
- FUM can take advantage of the current commercialisation drive to create various
- The land act provides opportunities for (emergent commercial) farmers to secure land tenure, acquire land on title deed and unlock access to finance.
- In line with Malawi 2063, FUM can take advantage to facilitate the development of policies, legislation and regulatory development for market led agricultural development.
- Increased interest and focus on youth and women by both Government and

- development offers FUM an opportunity to strengthen partnership and relevance if it packaged and delivered tailor made services for these vulnerable groups.

5.1.4 Threats

- Most development partners provide restricted funds with specific deliverables and therefore limits FUM to focus on its overall strategic mandate. FUM, just like most non-state actors (farmer organisations and civil society) heavily depend on donor funding.

5.1.5 Summary of the Situation Analysis

In summary, it is clear that FUM is well recognised and respected institution by all stakeholders in the agricultural sector including Government, development partners and other non-state actors. The SWOT analysis has demonstrated some of the strength and opportunities that FUM needs to maximise but importantly also the weaknesses and threats its needs to quickly manage.





6.0 Results Framework

Agricultural transformation is strategic to the Malawi's inclusive growth agenda. Transformation of this sector means a diversified export and food base, increased productivity of land and labour and commercialisation. There is need to build a financially sustainable FUM that will be able to provide strategic services to support its members become active participants in the agricultural transformation. Also, FUM should build capacity of its members so that they are positioned to take advantage of the opportunities accompanying any agricultural transformation strategies in Malawi.

6.1 Overarching Goal

The overarching goal of FUM over the next five years is to contribute towards agricultural transformation whereby the sector achieves increased productivity, commercialisation and also, is more diversified in export and food base.

6.1.1 Key Result Areas (KRAs)

To achieve the above, the following Key Strategic Areas were selected to be critical for the 2023-2027 Strategic Plan of FUM:

1. Strengthen the voice and influence of farmers in the formulation and implementation of agricultural evidence-based policies in Malawi;

1. Increase agricultural productivity and commercialisation of FUM members;
2. Promote climate smart and nutrition sensitive agriculture among FUM members for a sustainable agri-food system;
3. Empower women and young farmers economically and socially;
4. Build a farmers' Union that is sustainable and financially independent.

Key Result Area 1: Strengthen the voice and influence of farmers in the formulation of consistent, predictable and evidence-based agricultural policies in Malawi;

Rationale

Malawi has for so many years relied on short-term policies usually formulated and implemented along political circles. This approach has not spared the agricultural sector. Policies in this sector have usually been applied inconsistently with frequent policy reversals. Because implementation has lacked predictability, many potential investors have usually been reluctant to commit substantial finances to this sector.

For example, the unpredictable way Government implements the export bans/restrictions on maize makes it difficult for big maize traders or big producers targeting the export market to seriously invest in this commodity.

While sometimes there could be some genuine reasons for such restrictions, what has been lacking is genuine consultations and timely sharing of information by Government. Sharing real time information is vital in guiding production and business decisions by the producers and the traders. In recent years many players in the agriculture sector, including the development partners, have been advocating for more use of evidence-based policies to help attract more investments in this sector. It is believed that substantial investments will help unlock the mostly unexploited potential of this sector and subsequently, spur economic growth.

Evidence-based or informed policy making can be defined as a process whereby multiple sources of information, including statistics, data and the best available research and evaluations, are consulted before making a decision to plan, implement, and where relevant, alter public policies and programmes (Langer, Tripney and Gough, 2016; OECD 2018).

Goals of the evidence-based policy making are first, to use what we already know from programme evaluation to make policy decisions and second, to build more knowledge to better inform future decisions.

Instead of just to responding to short-term pressures as is currently the norm, evidence-based policy making is aimed at helping Government produce policies that really deal with problems that are forward-looking shaped by evidence. Short-term (usually following political circles) policies usually tackle symptoms instead of

dealing with root causes. It is important to note that evidence-based policy making thrives with good data, analytical skills and political support to the use of scientific information. The 2023-2027 FUM Strategic Plan should, therefore, consider how the organisation and other strategic partners, including Government and development partners, develop these required perquisites. Currently, there are a number of issues the Government would benefit from evidence to guide policy. For example, there is on-going debate on the impact of the current Agriculture Input Programme.

FUM can build on its previous research and advocacy experience on the Farm Input Subsidy Programme (FISP), which it researched on and generated evidence for more than 7 years (2011-2015) with financial support from then the UK Department for International Development (DFID). There are others players FUM can partner with in generating such evidence including MwAPATA Institute, public and private universities, public research institutions and the National Planning Commission (NPC).

Some development partners, such as the World Bank (WB) might also be interested and probably be willing to finance efforts towards generation of such evidence. FUM, with the financial support from USAID under the Malawi Agriculture Policy Strengthening (MAPS), were (2014-2017) doing budget analysis and feeding that information to the Parliamentary Committee on Agriculture to help improve their understanding of the budget and engagement in Parliament. Working and empowering such policy makers is quite strategic and important for

evidence-based policy formulation and influencing. FUM will need to prioritise, among others, building its skill-set in research, data management and advocacy. Bearing in mind the critical role of public service in policy formulation and interpretation, FUM should in its programming also include how it can contribute towards improving relevant skill-sets for the Government officers.

The outcomes and key outputs pertaining to Key Result Area 1 are presented in Table 1 below.

Table 1: Outcomes, Outputs and Assumptions related to Key Result Area 1

Strategic Goal/Outcomes/Outputs	Indicators	Assumptions
KRA 1		
Strengthen the voice and influence of farmers in the formulation and implementation of agricultural evidence-based policies in Malawi;	<ul style="list-style-type: none"> No. Of agricultural evidence-based policies with FUM input/involvement at various stages of progress. 	Government commitment to inclusive and consistent policy formulation and implementation process
Outcome 1.1		
FUM capacity to influence Government, in evidence-based policy formulation and implementation is strengthened	<ul style="list-style-type: none"> No. of FUM additional active membership by type No. of high level strategic policy forums/ Meetings attended by FUM staff No of FUM board and management trained and are conversant with management and influencing Strong policy research and advocacy unit 	
Outputs		

Strategic Goal/Outcomes/Outputs	Indicators	Assumptions
KRA 1		
1.1.1 Knowledge and skills of FUM staff and the board to effectively engage Government, donors and other non-state actors in policy processes and advocacy strengthened	<ul style="list-style-type: none"> No. of FUM staff and FUM leadership trained on policy processes and advocacy No. of FUM commissioned studies that translate into policy briefs on key identified policy issues (e.g. agriculture trade, land, export processing zones, nutrition, agriculture laws, taxation) No. of FUM DFOs established and functioning on issues at district level. 	
1.1.2 Capacity of DFU leaders to advocate on agriculture development issues developed and strengthened	<ul style="list-style-type: none"> No. of DFU members trained on policy advocacy No. of policy issues channelled to appropriate authorities by DFUs 	
1.1.3 DFU participation at District level policy forums (Area Stakeholder Panels, District Stakeholder Panels) strengthened	<ul style="list-style-type: none"> No. of policy forums conducted at district levels No. of DFU members attending district level policy forums 	
1.1.4 DFU representation in the district council and area level development structures formalised	<ul style="list-style-type: none"> No. of DFUs having a seat on relevant district council structures such as DEC, AEC 	
1.1.5 FUM membership communication and/or consultation system improved	<ul style="list-style-type: none"> No. of communication channels developed – electronic, print, face to face No. of FUM members accessing information through the communication system 	
Outcome 1.2		
Partnerships with Non State Actors for effective policy dialogue strengthened	<ul style="list-style-type: none"> Number of joint effective policy dialogues 	
Outputs		
1.2.1 Knowledge and skills of FUM and NSA to generate evidence for policy engagement increased	<ul style="list-style-type: none"> Number of NSAs trained in evidence generation for policy engagement 	
1.2.2 Knowledge and skills of FUM and NSA to effectively engage in policy dialogue enhanced	<ul style="list-style-type: none"> Number of NSAs trained in policy advocacy Number of policy engagement forums organised by FUM and NSA No. of high level policy forums attended by FUM and other NSA 	
1.2.3 Ability of FUM and NSA consensus building on key policy issues for advocacy enhanced	<ul style="list-style-type: none"> Number of key policy issues for advocacy jointly identified 	

Key Result Area 2: Increase agricultural productivity and commercialisation of FUM members;

Rationale:

Smallholder farmers in Malawi hold more than 80% of the agricultural land, involved in subsistence farming under rain-fed agriculture. Smallholder production is associated with very low productivity due to a number of issues including the following: inadequate use of modern technologies (inorganic and organic fertilisers, certified seeds and recommended rate of input application), inadequate access to competitively

priced agricultural financing, inadequate access to structured markets and poorly organised farmer groups that are not engaging in collective marketing. An inclusive growth path taken by Government requires that the agriculture sector be transformed. Agricultural transformation, which in this case implies increased productivity of both land and labour, diversification of the export and food base and commercialisation will help that the scarce resources (land and labour) being tied under this low productive sector is now released to other high value sectors, without undermining required production levels in the agriculture sector.



Table 1: Outcomes, Outputs and Assumptions related to Strategic Goal # 1

Strategic Goals/Outcomes/Outputs	Indicators	Assumptions
KRA 2		
Increase agricultural productivity and commercialisation of FUM members;	<ul style="list-style-type: none"> No. of producer organisations (POs) by type involved in agricultural commercialisation No. of POs by type accessing key services to support agribusiness and marketing operations 	<ul style="list-style-type: none"> Favourable macroeconomic environment Government remain committed to the agriculture transformation agenda
Outcome 2.1		
FUM members' organisational and agribusiness capacities to actively participate in commercialisation initiatives increased	<ul style="list-style-type: none"> No. of FUM FOs functioning as cooperatives No. of FUM FOs with good level of financial literacy % FUM FOs with audited accounts % FUM FOs with sound financial management system in place Number of cooperatives with strategic and business operational plans 	
Outputs		
2.1.1 Access to agricultural financing by FUM POs enhanced	<ul style="list-style-type: none"> No. of FUM members accessing agricultural and business loans Volume of agriculture loan portfolio by type of farmer No of FUM members trained in financial literacy No. of FUM members accessing WHRS No. of FUM members accessing matching grants/grants for agribusiness No. of FUM members accessing Partial Credit Guarantees (w) 	
Outcome 2.2		
Productivity of FUM members increased	<ul style="list-style-type: none"> % of FUM members under irrigation % of FUM POs using modern technologies % of FUM members using mechanisation 	
Outputs		

Strategic Goals/Outcomes/Outputs	Indicators	Assumptions
KRA 2		
2.2.1 Access to modern agricultural technologies by FUM members increased	<ul style="list-style-type: none"> No. of FUM members using certified seeds, improved livestock breeds and fish stocks Number of FUM members using inorganic fertilisers Volume of improved seeds used by FUM members 	
2.2.2 Access to farm mechanisation increased	<ul style="list-style-type: none"> No. of FUM POs owning farm machinery such as tractors, ox-drawn equipment, shellers; No. of FUM members hiring in mechanised equipment/ services such as tractor, shellers, etc 	
Outcome 2.3		
Commercialisation and value-addition of FUM members increased	<ul style="list-style-type: none"> Volumes of sales by FUM commodity POs Value of sales by FUM commodity POs % of sales volume by FUM members traded through structured markets No. of FUM POs diversifying into high value commodities Volume of agro-processed products by FUM POs Market value of agro-processed products by FUM POs 	
Outputs		
2.3.1 FUM farmers trading through structured markets increased	<ul style="list-style-type: none"> No. of FUM farmers by type trading through the commodity exchange platforms No. of FUM commodity groups/coops engaged in collective marketing No. of FUM farmers engaged in contract farming No. of FUM members engaged in anchor farming model No. of FUM participating in AGCOM Productive Alliance (PA) No. of smallholder farmer groups selling to NFRA and ADMARC % of smallholder and medium scale farmers' volume sold to NRFA and ADMARC to the Total Volume 	
Outputs		
2.3.2 FUM PO's capacity in value addition increased	<ul style="list-style-type: none"> No. of FUM POs trained in value addition No. of FUM POs accessing loans and grants in value addition for various commodities 	

Key Result Area 3: Promote climate smart and nutrition sensitive agriculture among FUM members for a sustainable agri-food system;

Rationale:

Climate variability and change and acute degradation of land in form of soil erosion, soil mining, siltation of water bodies and deforestation have a direct bearing on productivity of farming. Frequency of changes in weather in recent years has resulted into floods, dry spells, droughts and sometimes, shorter seasons. These have led to further poor crop yields and loss of livelihoods and lives. Farmers who depend on rain-fed farming are the worst affected. Farmers engaging in irrigation have equally been affected

by inadequate water due to siltation of rivers and dried up water reservoirs. Wanton cutting of trees, poor agricultural practices as well as pressure on land due to human settlements are some of the factors causing land degradation. It is well known that sustainable agricultural practices can contribute to both mitigation of climate change effects and enhancement of resilience of farming systems. During the course of implementation of this Strategic Plan (SP), FUM will facilitate climate change adaptation and mitigation among its members through promotion of sustainable methods of farming such as conservation agriculture (CA), use of drought tolerant crops and varieties, soil and water conservation, and irrigation farming, promotion of agro-forestry and afforestation, sustainable utilization of forestry products, as well as crop weather insurance.



The major outcomes and outputs related to Key Result Area 3 are presented in Table 3 below.

Table 3: Outcomes, Outputs, and Assumptions related to Key Area Result 3.

Strategic/Outcomes/Outputs	Indicators	Assumptions
Key Result Area 3		
Promote climate smart and nutrition sensitive agriculture among FUM members for a sustainable agri-food system;	% increase in household asset base of FUM members (asset base index)	<ul style="list-style-type: none"> Government continue prioritising climate change issues
Outcome 3.1		
Resilience of farmers to climate change related shocks increased	<ul style="list-style-type: none"> Number of hectares of land under modern technologies that enhance resilience to climate shocks (irrigation, conservation agriculture, drought tolerant varieties/crops) No. of FUM members adopted diversified farming as a climate change adaptation measure Number of FUM members with sustained food availability all year round 	
Outputs		
3.1.1 FUM climate change adaptation and mitigation strategy developed	<ul style="list-style-type: none"> Climate change adaptation and mitigation strategy developed 	
3.1.2 Climate change adaptation and mitigation measures implemented	<ul style="list-style-type: none"> Climate Change adaptation and mitigation strategies and interventions adopted at all levels 	
3.1.3 Adoption of climate smart agriculture increased	<ul style="list-style-type: none"> No. of FUM members trained in Climate Smart Agriculture No. of FUM members adopting diversified and integrated farming systems as a Climate Change adaptation measure No. of FUM members using drought tolerant crops and varieties 	
Outcome 3.2		
3.2 Sustainable use and management of land and water resources enhanced	<ul style="list-style-type: none"> % increase in catchment and river bank management by FUM POs % increase in land under irrigation for FUM POs 	
Outputs		
3.2.1 Investment in irrigation and water harvesting technologies increased	<ul style="list-style-type: none"> % increase in irrigation investment in the national budget % increase in water harvesting investment in the national budget 	
3.2.2 Soil and water conservation practices by FUM POs enhanced	<ul style="list-style-type: none"> No. of FUM POs trained in soil and water conservation technologies No. of FUM POs adopting soil and water conservation measures 	
Outcome 3.3		

Strategic/Outcomes/Outputs	Indicators	Assumptions
Key Result Area 3		
Access to and consumption of diverse and quality foods by women, men and children increased	<ul style="list-style-type: none"> Women's Dietary Diversity: Mean number of food groups consumed by women of reproductive age Prevalence of children 6-23 months receiving a minimum acceptable diet (%) 	
Outputs		
3.3.1 Women participation in nutrition programmes increased	<ul style="list-style-type: none"> No. of women trained in community nutrition and dietary diversity 	
3.3.2 HIV and AIDS impact mitigation enhanced	<ul style="list-style-type: none"> Number of farming families with nutrition gardens Number of farmers trained in HIV and AIDS mainstreaming 	

Key Result Area 4: Women and youth are economically and socially empowered.

Rationale:

Malawi has a youthful population with 65% being youth (18-35 years). Majority (over 80%) of the youth in Malawi live in the rural areas where the main source of livelihood is agriculture. A less productive agriculture, mostly using a hoe and heavily depended on rainfall is not attractive to majority of the youth, especially those that have attained some level of secondary school education. Active participation of majority of youth and women in agriculture is limited by inadequate access, by these categories, to strategic capital assets that promote modern farming such as competitively priced agricultural financing, land with secure tenure and structured markets *inter alia*. As such, FUM has a mammoth task to ensure that the right interventions are made available to help maximise active participation of women and youth in agriculture. Strategic interventions are urgently required in agriculture and the economy as a whole, if Malawi is to maximise its population dividends.

It should be noted, however, that FUM has made tremendous strides in addressing the issues related to gender inequality.

It has developed a Gender Equality and HIV/AIDS Policy, and established a Gender Coordination Unit to be a focal point for its gender mainstreaming activities. It has also undertaken several activities aimed at empowering both men and women to understand their roles as they relate to farming and its outcomes. Despite some progress made in relation to the gender issues, challenges still remain.

Stakeholder consultations undertaken when developing the FUM Gender and HIV/AIDS Policy indicated the following: limited knowledge and understanding of the gender concept; stereotyped gender attitudes that reinforce the customary practices that deem women as inferior to men despite the contribution they make towards agricultural development; high illiteracy rates especially among the female farmers; limited participation of women farmers in governance and management structures; limited access to and control of agricultural resources, limited access to modern technologies, limited access to markets and control of household incomes.¹ These are some of the critical issues that need to be urgently addressed if the women and youth are to be actively involved in the inclusive economic growth activities in line with Malawi 2063.



The outcomes and outputs for the strategic goal # 4 are presented in table 4 below.

Table 4: Outcomes, Outputs, and Assumptions related to Strategic Objective 4

Strategic Goal/Outcomes/Outputs	Indicators	Assumptions
Key Result Area 4		
Empower women and young farmers socially and economically;	<ul style="list-style-type: none"> • % increase in asset base for women and youths (asset base index) • Proportion of key leadership positions held by women and young farmers among FUM POs 	<ul style="list-style-type: none"> • Malawi continues to pursue an inclusive growth agenda
Outcome 4.1		
Access to and control over productive resources and income by women and young farmers increased	<ul style="list-style-type: none"> • % of women and young farmers accessing productive resources and assets • % of women farmers with control over productive resources and assets • % of women and young farmers making decisions over use of income 	
Outputs		
4.1.1 Access to agricultural finance and inputs for women and youth improved	<ul style="list-style-type: none"> • No. of women and young farmers among FUM POs accessing agricultural financing • % Increase of loan acquired by women and young farmers 	
4.1.2 Women and young farmers with secure land tenure increased	<ul style="list-style-type: none"> • No. of farmers trained in land property rights • % increase of women farmers in FUM owning title to land 	
4.1.3 Access to modern labour saving farming technologies by women and young farmers enhanced	<ul style="list-style-type: none"> • No. of women and youth among FUM POs using modern labour saving farming technologies 	
4.1.4 Women's visibility in key decision making structures	<ul style="list-style-type: none"> • % of women in FUM POs management, governance and other leadership structures 	
4.1.5 Functional literacy for women and men improved	<ul style="list-style-type: none"> • Number of women and men participating in functional literacy programmes 	
Outcome 4.2		
Access to and consumption of diverse and quality foods by women, men and children increased	<ul style="list-style-type: none"> • Women's Dietary Diversity: Mean number of food groups consumed by women of reproductive age • Prevalence of children 6-23 months receiving a minimum acceptable diet (%) 	
Outputs		
4.2.1 Women participation in nutrition programmes increased	<ul style="list-style-type: none"> • No. of women trained in community nutrition and dietary diversity 	
4.2.2 HIV and AIDS impact mitigation enhanced	<ul style="list-style-type: none"> • Number of farmers trained in HIV and AIDS mainstreaming • Number of farming families with nutrition gardens 	

Key Result Area 5: Build a Farmers Union that is more independent and financially sustainable.

Rationale:

A more financially stable FUM will be able to focus on its core functions and independently deliver the services that benefit its members. Currently, this is not possible as FUM is heavily dependent on donor financing, most of whom provide restricted funds targeting specific objectives for the particular projects.

Only “We Effect” provides unrestricted financing for FUM, which it uses for the institutional development including funding its strategic plan. FUM will need to grow and diversify sources of its reserves and unrestricted funds so that it creates more fiscal space to fund its core services for its members including lobbying, advocacy and policy influencing. FUM should also have a reserves policy which needs to be reviewed regularly against performance. The policy should have buy-in and approved by the board for it to be effectively implemented. Among others, the policy should direct how FUM will treat commissioned projects by other development partners that do not provide space for unrestricted funds. It will be important that FUM should charge some

administrative fees in all projects it is involved in and out of which there will be a proportion that is allocated to build reserves as guided by the reserve policy. FUM board and senior management should be strategic and think long-term bearing in mind it takes time to build up financial reserves. Therefore, the FUM board and management should support the organisation to build up sustainable financial reserves by running unrestricted surplus consistently until they reach their target. The following are some of the strategies that FUM may prioritise to build-up its unrestricted funds towards financial sustainability: develop business ventures as a service to its members to ensure long-term sustainability in service provision; continue to strengthen its financial management, transparency and accountability to ensure prudence in financial management; negotiate with key donors to utilise part of their financing to kick start some strategic business operations of the Union such as building an office space that will house FUM and also rentals as a business entity. Increase collection of membership fees by strengthening DFUs and also improve service delivery to the members to demonstrate relevance.



Table 5: Outcomes, Outputs and Assumptions related to Key Result Area 5

Strategic Outputs	Goals/Outcomes/	Indicators	Assumptions
Key Result Area 5			
Build a farmers' Union that is sustainable and financially independent.		<ul style="list-style-type: none"> • Increase in FUM's own financing as % of FUM's total budget • % increase in FUM's financial reserves • FUM finance reserve policy formulated and implemented 	FUM board and senior management have buy-in to support long-term build-up of unrestricted funds
Outcome 5.1			
Financial portfolio for FUM increased and diversified		<ul style="list-style-type: none"> • % increase in revenue and asset base • % increase in internally generated revenue • % increase in non-restricted revenue for FUM • % increase in sources of stable income for FUM 	<ul style="list-style-type: none"> • Stable macroeconomic environment
Outputs			
5.1.1 Strategic business partnerships with private sector, multilateral and bilateral development partners and government		<ul style="list-style-type: none"> • No. of formalised partnership/ arrangements with private sector and other non-state actors; • No. of formalised partnerships with development partners; • No of formalised partnerships with Government; 	
5.1.2 FUM income diversified		<ul style="list-style-type: none"> • No. of unrestricted finance sources for FUM developed • Amount of unrestricted surplus generated and saved/invested • No of FUM commercial services bringing stable incomes • No. of business and project proposals funded • Amount of revenue generated from administrative costs charged on projects 	
5.1.3 Functioning DFUs built in all regions of the country		<ul style="list-style-type: none"> • No of functioning DFUs delivering quality services to their members • No of active paid-up members for the DFUs • No of paid-up medium and large scale farmer members • No of DFUs increasing financial capacity 	

Strategic Outputs	Goals/Outcomes/	Indicators	Assumptions
Key Result Area 5			
5.1.4 FUM's value for money (VfM) management enhanced		<ul style="list-style-type: none"> Number of services outsourced following VfM procurement; Volume of resources saved through cost effective resource management; Delivery mechanism that reflects efficiency; No of systems and policies in place and being implemented to guide prudent resource management (stores and inventory management, printing, need based procurement, fleet management/fuel/vehicle tracking/phone/internet) 	
Outcome 5.2			
FUM's governance, financial and business management systems strengthened		<ul style="list-style-type: none"> FUM's secretariat commissioning and sharing with Government their independent annual financial audits on time FUM secretariat demonstrates good value for money in its decisions Number of agriculture cooperatives conducting governance and management meetings regularly Number of FUM's members commissioning and sharing with Government (if requested-especially those funded by donor financing) their independent annual financial audits Number of FUM members (including secretariat) with strategic and business operational plans Number of cooperative enterprises with business/ strategic partnerships 	
Outputs			
5.2.1 FUM POs governance structures strengthened		<ul style="list-style-type: none"> No. of POs trained in governance No. of FUM POs conducting credible elections No. of FUM POs with active and functioning boards No. of POs trained in leadership 	
5.2.2 FUM financial and management systems strengthened		<ul style="list-style-type: none"> No. of refresher trainings for FUM secretariat in Governance, finance and management No. of FUM POs trained in financial management and procurement FUM top management (if not familiar with financial issues) trained in financial management at least beginners levels 	

6.1.2 Implementation Arrangements

To facilitate implementation of the Strategic Plan, a number of activities will be undertaken to raise its visibility, which will include an official launch and development of a clear communication strategy for the plan. The Executive Management Team through the directorates shall take a lead in implementation of the strategies outlined in this Strategic Plan. Each Directorate is expected to develop annual work plans to facilitate implementation of the Strategic Plan with reference to the Programme Plan. The Annual Work plans shall form the basis for development of FUM's Annual Budgets. A financing strategy for the Strategic Plan has been developed clearly indicating the annual financial requirements and financing arrangements.



6.1.3 Monitoring and Evaluation

The Programme Plan and Logical Framework Analysis that have been developed to roll out this SP will provide a framework for planning, monitoring and evaluation. FUM with the leadership of the Board and the Executive Management Team will be carrying out annual strategic planning and review meetings. On a monthly basis, Directorate Heads shall submit Reports to the Chief Executive Officer for discussion at Executive Management meetings. The Chief Executive Officer shall prepare a consolidated Quarterly Report for submission to the Board of Directors outlining progress on implementation of the Strategic Plan. Implementation of the Strategic Plan will be subjected to mid-term and end of term evaluation to be undertaken by an independent evaluator.





The Chief Executive Officer
Farmers Union of Malawi
P.O. Box 30457, Lilongwe
info@farmersunion.mw



WWW.FARMERSUNION.MW