



Empowered lives.
Resilient nations.

Annual Work Plan 2014

PRIVATE SECTOR DEVELOPMENT PROJECT

Country: MALAWI

Theme 1: Sustainable and Equitable Economic Growth and Food Security

UNDAF Outcome 1.3:	<i>Productive poor benefit from decent work, income generation and pro-poor private sector growth by 2016</i>
UNDAF Output 1.3.3:	National Export Strategy clusters are supported through enterprise and skills development, financial services, cooperative development, promotion of structured markets and national quality infrastructure
Expected CPD Output(s):	Inclusive finance products expanded, new business-to-business opportunities for Malawi products
Expected Project Outputs:	<ol style="list-style-type: none">1. The Industrial development policy and prioritized sectoral policies and strategies developed and implemented2. The MICF is established and operational to increase inclusiveness and competitiveness of value chains in agriculture and manufacturing3. Loan facility provided to smallholder farmers, low income women and youth
Implementing partner:	Ministry of Industry and Trade
Other Partners:	UNDP, Ministry of Industry and Trade, Private Sector, Financial Service Provider

Narrative

Malawi lacks a private sector that can increase the low levels of investment and production and transform the economic structure of the country through the diversification of its economy and exports. The Private Sector Development Project (PSDP) is a private sector led and private sector driven project. It aims at incentivizing the private sector to deliver sustained, rapid and inclusive growth; ensuring that value chains with strong potential, identified by the National Export Strategy (NES), contribute to growth and poverty reduction and are inclusive of the poor; and better aligning business incentives with development objectives to promote innovations and inclusive business models to draw poor communities into markets more efficiently.

More specifically, the overall goal of the PSD project is to support productive partnerships within the private sector, particularly between lead firms and poor producers and entrepreneurs, especially smallholders. The project has the ambition of contributing to the transformation of the private sector into the engine of real growth and anchor for economic diversification, job creation and greater economic opportunity for the poor that Malawi requires.

The project will also facilitate access to finance to smallholder farmers and low-income people through the establishment of a Loan Facility and will ensure a more receptive policy and institutional environment for Agriculture and Manufacturing value chains.

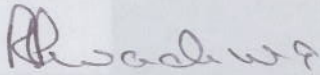
The PSDP operational approach is characterized by the use of two instruments: UNDP's Inclusive Markets Development (IMD) and the Challenge Fund.

In 2014, a Malawi Innovation Challenge Fund (MICF) will be launched and pioneered for the first time in Malawi under the PSDP. This will provide direct support to lead businesses with grant finance and technical assistance, with a view to supporting agriculture and manufacturing value chains to work better for the poor following the IMD approach and within the framework of the National Export Strategy (NES). At Policy level, support is provided for the development of an Industrial Policy to hasten the industrial development of Malawi's economy and aligned to SADC's Industrialization framework. Also, guidelines for Industrial rebates will be developed and the Trade Policy reviewed. Likewise, to sustain vertical and horizontal integration and of smallholder farmers, low income women and youth in corporate supply chains, a Loan facility will be set-up in the course of the year.

AWP Period:	02 January 2014 31 December 2014
Programme Component:	Poverty Reduction and MDGs
Intervention Title:	Private Sector Development Project
Project ID:	00072218
Output 1:	00085368
Output 2:	00086670
Output 3:	00086671
Output 4:	00086672
Duration:	1 year

Estimated annualized budget:	\$2,597,500
Allocated resources:	
Government	in kind
UNDP Regular	\$1,097,500
DFID	\$1,500,000
Unfunded budget:	\$0

Agreed by Ministry of Industry and Trade:

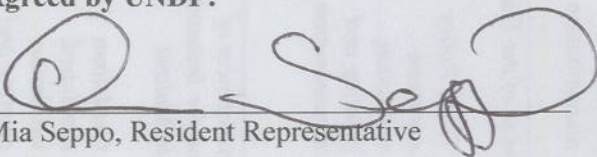


Randson Mwadiwa, Principal Secretary

23/1/2014

Date

Agreed by UNDP:



Mia Seppo, Resident Representative



Annual Work Plan

02 January 2014 – 31 December 2014

EXPECTED CP OUTPUTS and indicators including annual targets	PLANNED ACTIVITIES <i>List all activities including M&E to be undertaken during the year towards stated CP outputs</i>	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount US\$
OUTPUT 1: Output ID: 00085368									
The Industrial development policy and prioritized sectoral policies and strategies developed and implemented									
1.1 Number of Industrial Policies developed and approved by Cabinet Baseline: 0; Target: 1	<p><i>1.1.1 Develop an Industrial Policy aligned to the SADC Industrialization Framework</i></p> <ul style="list-style-type: none"> - <i>Industrial Policy development, validation, printing and dissemination</i> 					Ministry of Industry and Trade	UNDP TRAC	<p>72100 Contractual Services Companies</p> <p>75700 Training, Workshops and Confer</p>	<p>47,920</p> <p>10,000</p>
1.2 Number of Sectoral Policies and strategies in oil seeds, legumes, sugar and manufacturing, aligned to the NES and MICF, fast-tracked and implemented Baseline: tbd; Target: 1	<p><i>1.2.1 Review of the Trade Policy</i></p> <ul style="list-style-type: none"> - <i>Trade Policy reviewed, validation, printing and dissemination</i> 					Ministry of Industry and Trade	UNDP TRAC	<p>72100 Contractual Services Companies</p> <p>75700 Training, Workshops and Confer</p>	<p>20,000</p> <p>10,000</p>
	<p><i>1.2.2 Development of Guidelines for Industrial Rebates in Malawi</i></p> <ul style="list-style-type: none"> - <i>Guidelines developed, validation, printing and dissemination</i> 					Ministry of Industry and Trade	UNDP TRAC	<p>71200 International Consultants</p> <p>75700 Training, Workshops and Confer</p>	<p>19,100</p> <p>10,000</p>

1.3 Number of SWGs operationalized through the conduit of the NES Baseline: 0; Target: 1	1.3.1 Support to the NES Manufacturing prioritized cluster - Manufacturing TA based in the MoIT					UNDP TRAC	61300 Salary and related costs TA/IP cost	177,595
	1.3.2 Policy Advocacy for the Manufacturing Strategy - Research and consultative meetings for the Manufacturing Cluster				Ministry of Industry and Trade	UNDP TRAC	72100 Contractual Services Companies 75700 Training, Workshops and Confer	10,000 7,508
Sub-Total								312,123

OUTPUT 2: Output ID: 00086670

The MIF is established and operational to increase inclusiveness and competitiveness of value chains in agriculture and manufacturing

2.1 Number of new business models that increase average net incomes of the poor are developed in each IMD intervention (Agriculture and Manufacturing) Baseline: 0; Target: 5	2.1.1 MIF Fund Management				UNDP	UNDP TRAC	72100 – Contractual Services Companies	509,602
	2.1.2 Engage members of the Investment Panel				UNDP	UNDP TRAC	71600 – Travel	9,000
						UNDP TRAC	75700 – Training, Workshops and Confer	5,000
2.2 Additional investment leveraged from the Private Sector through the MIF Baseline: 0, Target: \$900,000						UNDP TRAC	71200 – International Consultants	2,400
2.3 Additional annual revenue received by companies successful in the MIF Baseline: n.a. Target: tbd at first round of competition	2.1.3 Sensitization Campaigns for the MIF				UNDP	UNDP TRAC	71300 – Local Consultants	1,600
						UNDP TRAC	72500 – Supplies	1,000
						UNDP RR	75700 – Training, Workshops and Confer	8,000

<p>2.4 Annual income for the poor Baseline: 0. Target: tbd at first round of competition</p> <p>2.5 Percentage increase in the incomes of existing 80,000 farmers (including at least 30% women farmers) Baseline: tbd at first round of competition. Target: 30%</p> <p>2.6 Percentage increase in incomes of 10,000 new farmers (including at least 30% women farmers/youth) Baseline: tbd at first round of competition. Target: 100%</p> <p>2.7 Number of new jobs created (at least 30% for women and youth) Baseline: 0. Target: 400</p> <p>Sub-Total</p>	<p>2.1.4 Disburse Grants to successful MICF applicants</p>			UNDP	DFID	72600 –Grants	1,401,869
1,938,471							
<p>OUTPUT 3: Output ID: 00086671 Loan facility provided to smallholder farmers, low income women and youth</p>							
<p>3.1 Number of productive poor have access to loans for IMD Interventions (at least 30% women and youth)</p> <p>Baseline: 0; Target: 0</p> <p>Sub-Total</p>	<p>3.1.1 Select a FSP to manage the Pro-Poor Loan Facility</p>			UNDP	UNDP TRAC	72500 Supplies	200
200							
<p>OUTPUT 4: Output ID: 00086672 Programme Management</p>							

Communication and M&E							
Monitoring and Evaluation	Monitoring and Evaluation			UNDP	UNDP TRAC	71600 Travel	
	- Communication Costs					72300 Materials & Goods	2,000
	- On site visits					72400 Communic & Audio Visual	1,000
							3,000
Programme Assurance, Coordination and Management							
Programme Assurance, Coordination and Management	Salaries for Programme Analyst, Associate			UNDP	UNDP TRAC	71400 – Contractual Services - Individual	7,770
	PSD Advisor (International)			UNDP	UNDP TRAC	61200 - Salary and related costs-TA/NP	10,000
	PSD Specialist (National)			UNDP	UNDP TRAC	61300 Salary and related costs-TA/IP	190,148
	Office Supplies			UNDP	UNDP TRAC	77100 -TA/NP cost	23,657
	Quarterly Steering Committee Meetings & Monitoring Visits			UNDP	UNDP TRAC	72500 Supplies	5,000
				UNDP	UNDP TRAC	72300 Materials and Goods	3,000
						71600 Travel	3,000
				UNDP	DFID	75100 – Facilities and Admin	98,131
UNDP Administrative Cost (GMS 7%)							
Sub-Total							346,706
Total Trac Resources							1,097,500
Total DFID Resources							1,401,869
GMS							98,131
GRAND TOTAL							2,597,500

ANNEX I: The Annual Work Plan (AWP) Monitoring Tool

Year 2014

CP Component: Poverty Reduction Implementing Partner: Ministry of Industry and Trade

EXPECTED CP OUTPUTS AND INDICATORS INCLUDING ANNUAL TARGETS	PLANNED ACTIVITIES <i>List all the activities including monitoring and evaluation activities to be undertaken during the year towards stated CP outputs</i>	EXPENDITURES <i>List actual expenditures against activities completed</i>	RESULTS OF ACTIVITIES <i>For each activity, state the results of the activity</i>	PROGRESS TOWARDS ACHIEVING CP OUTPUTS <i>Using data on annual indicator targets, state progress towards achieving the CP outputs. Where relevant, comment on factors that facilitated and/or constrained achievement of results including: - Whether risks and assumptions as identified in the CP M&E Framework materialized or whether new risks emerged - Internal factors such as timing of inputs and activities, quality of products and services, coordination and/or other management issues</i>
OUTPUT 1: The development policy and prioritized industrial policies and strategies developed and implemented INDICATORS: 1.1 Number of Industrial Policies developed and approved by Cabinet Baseline: 0 ; Target: 1 1.2 Number of	1.1.1 Develop an Industrial Policy aligned to the SADC Industrialization Framework 1.2.1 Review of the Trade Policy 1.2.2 Development of Guidelines for Industrial Rebates in Malawi 1.3.1 Support to the NES Manufacturing prioritized cluster 1.3.2 Policy Advocacy for the Manufacturing Strategy			

<p>Sectoral Policies and strategies in oil seeds, legumes, sugar and manufacturing, aligned to the NES and MICF, fast-tracked and implemented</p> <p><u>Baseline:</u> tbd; <u>Target:</u> 1</p> <p>1.3 Number of SWGs operationalized through the conduit of the NES</p> <p><u>Baseline:</u> 0; <u>Target:</u> 1</p>				
<p>OUTPUT 2: The MICF is established and operational to increase inclusiveness and competitiveness of value chains in agriculture and manufacturing</p> <p>OUTPUT INDICATORS:</p>	<p><i>2.1.1 MICF Fund Management</i></p>	<p><i>2.1.2 Engage members of the Investment Panel</i></p>	<p><i>2.1.3 Sensitization Campaigns for the MICF</i></p>	

ANNEX II: PROCUREMENT PLAN

ANNUAL PROCUREMENT PLAN

Private Sector Development Project													
PROJECT TITLE:	Private Sector Development Project												
PROJECT ID:	00072218												
ANNUAL PLAN PERIOD:	2014												
REQUESTER:	Ministry of Industry and Trade												
Deception of Procurement Items	No.	UNIT OF MEASURE	Quantity	FUND/ DONOR	ACTIVITY/ OUTPUT	COA	Estimated Price	Currency	Available Budget in USD	Method of Procurement	Timeline for Procurement	Implementing partner focal point	Responsible UNDP Prog. Analyst
Description of goods, services or works to be procured						ACCOUNT	USD	MK or USD	USD	Government Procurement or UNDP Support Service or other	Expected Delivery Date		
Procurement of printing services: Printing the final National Industrial Policy for Dissemination workshops	500	copies		04000/00012	0000000001/00085368	74200	5,000	USD	5,000	UNDP Support Service	01-07-2014	Clement Phangaphanga	Augustine Nyirenda
Procurement of Services of a Local Consultant: To Review the Trade policy	30	Man -days		04000/00012	0000000002/00085368	72100	20,000	USD	20,000	UNDP Support Service	01-07-2014	Clement Phangaphanga	Augustine Nyirenda
Procurement of Services of an International Consultant: To develop Guidelines for Industrial Rebates in Malawi	30	Man -days		30000/00551	0000000002/00085368	71200	19,100	USD	19,100	UNDP Support Service	01-07-2014	Clement Phangaphanga	Augustine Nyirenda
Procurement of Services of a	30	Man -days		30000/00551	0000000003/00085368	72100	10,000.00	USD	10,000.00	UNDP Support	01-07-2014	Clement Phangaphanga	Augustine Nyirenda

