



# Climate change and agriculture scenarios for Malawi

## Socio-Economic Scenarios

### *Report of the Workshop*

*Salima, Malawi  
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RESEARCH PROGRAM ON  
Climate Change,  
Agriculture and  
Food Security



Environmental Change Institute



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### **Contacts**

Economics and Policy Innovations for Climate-Smart Agriculture (EPIC) Programme  
Agricultural Development Economics Division (ESA)  
Food and Agriculture Organization of the UN (FAO)  
Via delle terme di Caracalla, 1 00153 Rome Italy  
Email: [epic@fao.org](mailto:epic@fao.org)  
Website: [www.fao.org/climatechange/epic](http://www.fao.org/climatechange/epic)

**DISCLAIMER**

This Report has been prepared as an output of the participatory scenario building workshop under the FAO-EC project *“Climate-Smart Agriculture: capturing the synergies between mitigation, adaptation and food security”* implemented under the Economics and Policy Innovations for Climate-Smart Agriculture (EPIC) Programme and has not been peer reviewed. Any opinions stated herein are those of the author(s) and do not necessarily reflect the policies or opinions of FAO, CCAFS, the European Union, or other partners.

The project, funded by the European Commission, was launched in January 2012 in Malawi, Viet Nam and Zambia. It aims to support partner counties in their transition towards Climate-Smart Agriculture.

For further information on EPIC, visit: [www.fao.org/climatechange/epic](http://www.fao.org/climatechange/epic)

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## Introduction

This report contains the proceedings of the first workshop of an EC funded project designed to help Malawi obtain the tools, knowledge and capacities to adopt, advance, scale up and roll out solutions towards Climate-Smart Agriculture (CSA). The aim of the workshop was to produce qualitative scenarios of Malawi's socio-economic futures, which will help make the analysis and quantitative modelling around CSA more robust and comprehensive. The scenario building process and its stories will also be used to:

- Surface and discuss complex questions and uncertainties around issues such as food security, agriculture, policy, climate change, and the impact of climate change in Malawi
- Develop a way forward by identifying options, risks, opportunities and must do's.

The project is a collaborative effort by Malawi's Ministry of Agriculture and Food Security (MOAFS), the Food and Agriculture Organization of the United Nations (FAO) and the CGIAR programme on Climate Change, and Agriculture and Food Security (CAAFS).

This workshop was part of a planned series of workshops for the overarching project titled 'Climate Smart Agriculture: Capturing the Synergies between Mitigation, Adaptation and Food Security' (see [www.fao.org/climatechange/epic](http://www.fao.org/climatechange/epic) for details).

The workshop participants were drawn from various sectors including government, civil society, universities and research centres, and represented multiple perspectives with regard to Malawian agriculture, climate change and food security. There were 21 participants (including 2 facilitators and 2 representatives from FAO, headquarters). A list of participants, as well as a group photo is contained in Annex A.

## Workshop

The FAO Representative in Malawi, Ms Florence Rolle, opened proceedings by stating that this was an interesting and unique intervention that sought to use applied research to feed into current and future policy dialogues. She shared that Malawi faces many challenges like deforestation, drought and increased climate variability that make people more vulnerable to food insecurity and for which it would be important to have tools in hand to understand the relationship between the complex issues involved. She was pleased with the diversity of participants whom, she hoped, would bring forth different perspectives and she urged them to interact and engage in the scenarios process. She looked forward to the outputs of the workshop and wished the participants a very fruitful discussion.

Thereafter, Mr. John Mussa, Director for the Department of Land Resources and Conservation, welcomed the Deputy Minister of Agriculture and Food Security, Hon. Ulemu Jeremoth Chilapondwa, MP to officially open<sup>1</sup> the workshop.

The Deputy Minister shared that Malawi's biggest challenge was in meeting national food security from degraded land resources in the presence of climate change and of a fast growing population.

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<sup>1</sup> The Deputy Minister's opening speech and comments to journalists present can be obtained via the FAO Malawi office.

To address this, one would require transformation of the agricultural production system. He noted that there were challenges that limited this transformation and this project would help address these challenges by enabling farmers to make more climate-smart agricultural choices, which requires [amongst others] a better understanding of which agricultural practices are suitable in their areas.

He enumerated the outputs of the project including the activities that had been carried out so far. He appealed to all stakeholders in the agricultural sector to collaborate and utilize the outputs of this project to review and reform [the Malawian] national agriculture frameworks, strategies and policies to incorporate adaptation and mitigation measures to climate change.



Photo: ©FAO

He was sure that the participants in the workshop had the required information to make the scenarios building exercise successful and appealed for their active participation during this workshop. Honorable Chilapondwa hoped that the process would lead into better understanding of the linkages between climate change and agriculture and [Malawi] in a better position for multilateral negotiations. With those remarks, he declared the workshop open and wished everyone a fruitful deliberation during the workshop.

Dr. Andrea Cattaneo, the CSA project leader from FAO, provided some background of the project including a presentation<sup>2</sup> on the effects of climate change in Malawi. He also covered the rationale and objectives of the CSA project and provided some examples of the CSA project activities in Malawi.

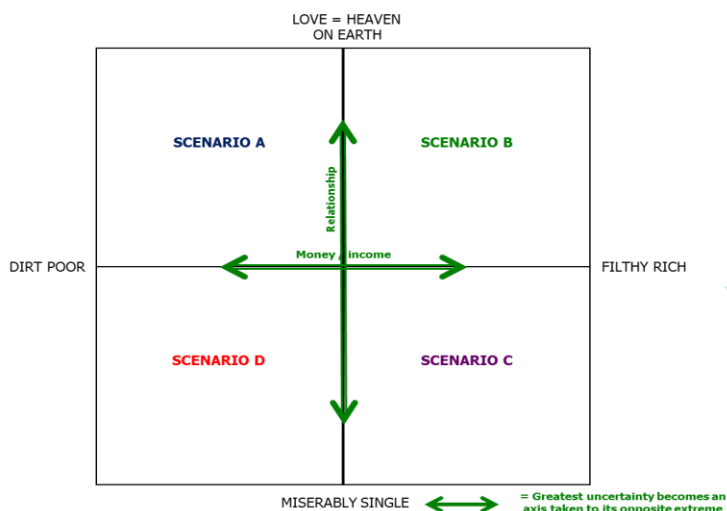
## Scenarios Process

This workshop was the first scenario building process experience for all of the participants. For this reason, the facilitator briefly explained the rationale and uses of scenarios, as well as taking the group through a quick mock process of creating a scenarios gameboard<sup>3</sup> for the future of an imaginary 22 year old university graduate. The process involved working with key uncertainties to create plausible stories about the young man's future.

It was discussed that during the next 50 odd years, his life would be influenced by things like having a job (income), a spouse (love), children or his health and lifestyle. These would be the drivers shaping his future. Some of the drivers had a relative level of certainty, whilst others had high levels of uncertainty. To create the gameboard, the participants picked two drivers with the highest level of uncertainty and that would have the highest impact on his life. These were identified as income and relationship, which were then plotted as two axes whose extreme opposite outcomes were used to create the 2x2 matrix -- the gameboard -- as illustrated below.

<sup>2</sup> A copy of the slides presented can be obtained from Dr Cattaneo or via the FAO Malawi office.

<sup>3</sup> The 2x2 matrix or framework typically used for the deductive methodology of scenario building.



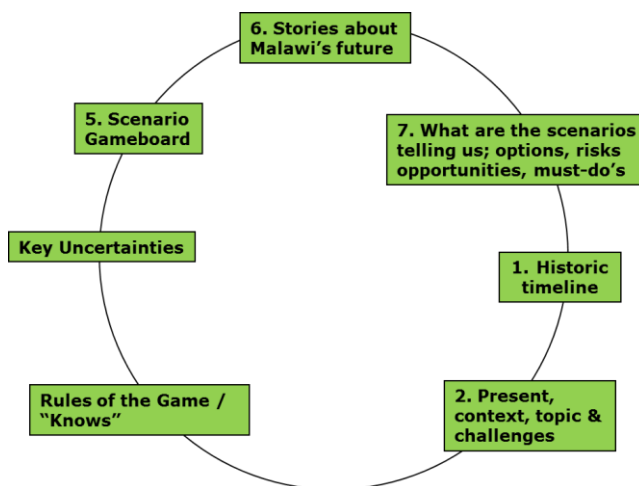
- Income; in the extreme the young man could either be filthy rich or dirt poor
- Relationship; in the extreme the young man could either be miserably single or find the love which is so good it is heaven on earth

Using these axes to generate scenarios in each of the quadrants provides the alternative futures for conceivably the next 50 years. Scenario B would be the most preferable future, while scenario D would be the least desirable future. However, Scenario A and C are also possible alternatives. The ultimate test for scenarios is whether they are plausible. Usually real life is not in the extremes of the axes and occurs more towards the middle of the quadrants, but the point is that his real life over the next 50 years could play out in any of those quadrants or even in multiple ones -- that is how scenarios work. The young man could also move from one scenario to another depending on actions and decisions he makes presently. For instance, if he marries a 'gold-digger', he may well be on his way to scenario D.

Scenarios never predict the future. Rather they provide the means to consider today's policies, plans and decision-making processes in light of potential future developments.

In this workshop, participants engaged in a facilitated strategic conversation, using scenario planning techniques, which was structured as follows, and is illustrated in the diagram below.

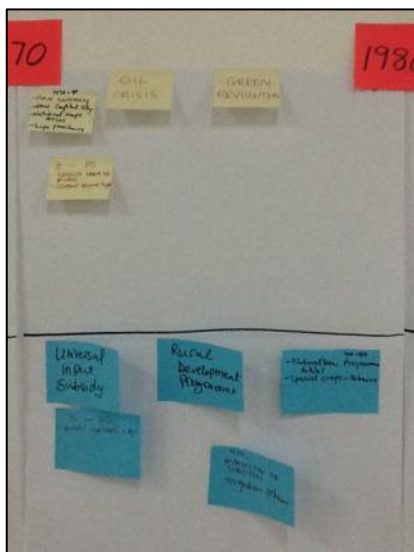
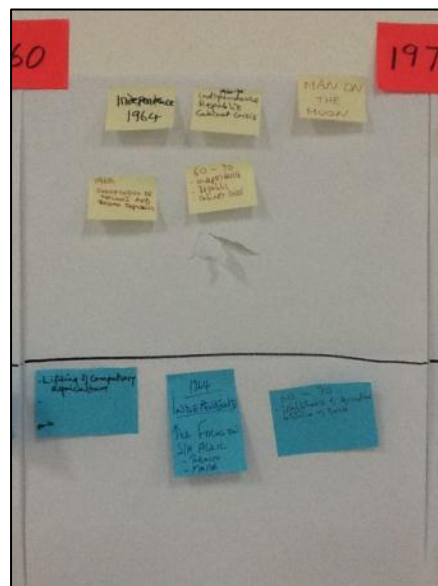
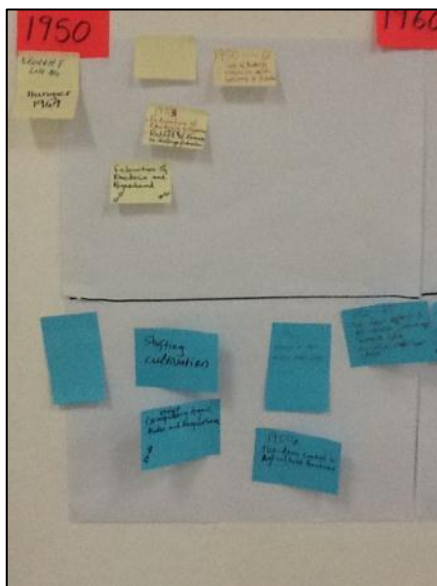
1. Building a timeline of Malawi's history going back 60 years, twice as long the time period envisioned forward
2. Definition of terms and topics such as climate change, agriculture, food security and discussions on the unit of analysis and Malawi's present scope, context and challenges
3. Identification of key stakeholders/ players
4. Discussions about the Driving forces – the factors shaping the future. These are split between 'knowns' and 'unknowns'; so-called rules of the game and key uncertainties
5. Generate the scenario game board
6. Develop the scenarios stories
7. Deliberate about what the scenarios are telling us; what are possible options, risks, opportunities and must do's



## 1. Historical Timeline Exercise

This interactive exercise involved building a historic timeline of Malawi's history with the aim of sensitising participants to identifying trends, patterns, deep change and stability, amongst others. It is always useful to look at history, and what catches up with us from the past, before looking at the future and what may be coming at us from it.

The rule of thumb is to go back twice as long as you go forward. In this case, the scenarios were on Malawi 2040 hence the participants would go back to the 1950's. The participants, in groups of two, were asked to identify significant events in general and those specific to the agricultural sector. The pictures below capture part of the exercise.





## Summary of comments from the timeline exercise (what is the timeline telling us?)

- **Politics and Governance**
  - ✓ The political changes in the 1960's and in 1994 have created big changes in other sectors.
  - ✓ The type of politics or leadership practiced by the leaders has not changed with the only difference being the new faces in government.
  - ✓ There is also, an increase in the number of 'white elephant' projects in the country.
  
- **Policymaking**
  - ✓ Malawi has a plan or a roadmap for the county i.e. the Vision 2020 document.
  - ✓ Malawi is open to the external world but it has remained insular/inward looking especially with regards to its policies which were termed as 'closed'. These closed policies would not result in real transformative change but this was changing.
  - ✓ Democracy in Malawi came with freedom but not responsibility. There is a weak or poor legislative and regulative environment due to poor coordination among policy makers and various stakeholders (everybody is doing their own things) and no one is taking responsibility for the policy making process and its outputs in Malawi.
  
- **Type of Farming**
  - ✓ Agriculture is still heavily characterized by smallholder farming since the 1950's unlike in other Southern African countries like Zimbabwe, Zambia and South Africa who practice large commercial farming
  - ✓ In the 1960's there was a shift from compulsory agriculture, which can be described as government directing farmers as to what types of agricultural practices to use in their farming
  - ✓ There has been a reorganization of the former farming estates into land for commercial farming (cash crops) used by community members. These estates were active and productive in the 70's but had become idle with time.
  
- **Investments and Stakeholder involvement**
  - ✓ There was increased investment in agriculture in the 1970's and 1980's with a clear dichotomy on investments for small or commercial farming. The government mobilised for extension and credit support and there was extensive research and development in the sector but this has reduced with time and might continue into the future.
  - ✓ The agriculture sector is allocated large sums of money that is poorly distributed across the various subsectors. Most of the money is spent on subsidies (these are tied to the election cycle, abused by politicians who use them to gain votes or popularity) at the expenses of other pressing issues or needs. However, the subsidies have increased the acreage under crops.
  - ✓ There's a decrease in the quality and quantity of extension research. The government expects other sectors like the private sector to take over but this has not happened. Also, the private sector is still very weak in terms of its engagement with the various stakeholders and input in the agriculture and climate change conversation
  - ✓ There will be continuous involvement of the government in the agriculture sector.
  - ✓ There is increased stakeholder interaction and donor involvement in the agriculture sector.
  - ✓ There is an emphasis on investing in conservation agriculture and this might continue in the future.

- **Markets**
  - ✓ The markets are not working for the poor (this might continue into the future). This is due to government interference with the markets and market pricing which favours middlemen and other traders.
- **Infrastructure and Technology**
  - ✓ The role of technology is still weak – the vision 2020 is supposed to be technology driven but this has not happened.
  - ✓ Irrigation has not been fully explored and utilized.
  - ✓ Technology adoption and adaptation has been limited by affordability and access issues.
  - ✓ The agricultural system in Malawi is dependent on infrastructure roll out. This had begun in the 60's, and then stalled. Currently, there is an attempt to improve infrastructure in Malawi.
- **Pressure Points**
  - ✓ There is increasing encroachment into marginal areas by the farmers due to limited availability of land and small land sizes.
  - ✓ The population is growing and putting pressure on land especially with the increasing urbanization leading to increased demand for food.

## 2. Present context, topics and challenges

The essence of this part of the process is to create a common understanding of the unit of analysis and agree on the topics being examined – it helps with framing the discussion.

The **unit of analysis is Malawi** as characterized by its borders. However there could be issues regarding its (water) borders and access to fishing areas (e.g. potential conflict between Tanzania and Malawi on Lake Malawi). The population is generally composed of Malawians; however, there is an increasing trickle of migrants and/or refugees from Somalia and Rwanda.

### **Agriculture**

Agriculture includes crop, livestock and fish farming. Fishing is limited to capture fishing. The largest proportions of farmers are smallholder farmers, but there is a 'spectrum' of farmers ranging from subsistence farmers to plantation (corporate) farming. The crops produced are maize, cassava, sugar, coffee, tobacco, legumes, cotton, and tea. Players include actors in the whole value chain i.e. producers, service industry, buyers, processors, consumers, transporters. Women play a significant role in agriculture in Malawi.

**Climate Change in Malawi** is characterized by:

- More extreme weather events which happen more often, i.e. floods and droughts
- Variability in rainfall and uncertainty of seasons (timing of rainy and dry seasons)
- Variability and uncertainty in temperature
- Changes in tidal waves and water levels in Lake Malawi

**Food Security** means that "all people, at all times, have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy life" FAO, Rome Declaration on World Food Security 1986. In Malawi, there are seasons of food security tempered by periods of chronic food insecurity.

## Identification of challenges

The participants were organised into 3 groups and asked to identify the challenges facing Malawi. These included:

- ✓ Large number of smallholder farmers who are heavily dependent on government subsidies and who focus mainly on maize farming which increases vulnerability from a food security perspective.
- ✓ Economic instability (macro-economic instability) especially with the currency fluctuations which makes it difficult to plan.
- ✓ Disasters like floods and drought and climate change and its effects
- ✓ Health issues – HIV/Aids which affects the quality of life and labour force.
- ✓ Inadequate infrastructure - road, water transport, rail, energy, communication and irrigation.
- ✓ Low mechanization and inadequate agricultural technologies.
- ✓ Overdependence on tobacco as a forex earner.
- ✓ Lack of continuation of policies after changes in government.
- ✓ Employment – youth unemployment, lack of opportunities within the agriculture sector.
- ✓ Population pressure/growth vis-à-vis the fixed land size and limited natural resources.
- ✓ Increase in social spending, i.e. free medication and agriculture subsidies.
- ✓ Water scarcity due to low precipitation and low levels of underground water [despite the proximity of the freshwater lake].
- ✓ Increased land degradation and land grabbing, high proportion of landless people, decreasing land holding sizes due to increase in population, deforestation.
- ✓ Wrong perception of what food is – high focus on maize as compared to other crops or foods.
- ✓ Marketing – inadequate access to markets (local and international), contradicting policies (minimum prices), liberalised policies.
- ✓ Lack of technical experts for the emerging sectors like mining.
- ✓ Corruption, weak law enforcement.
- ✓ Drug abuse [amongst the youth]
- ✓ Poverty – poor access to social services, lack of access or inequitable access to opportunities, poor access to health, declining quality of education.
- ✓ Worsening environmental degradation – waste disposal will be a challenge in future.

## 3. Key Stakeholders

The workshop participants compiled a list of key players also known as stakeholders (not just confined to the climate change and agriculture milieu) relevant for the future of Malawi. **These are the actors who will impact, or be affected by how the future of Malawi unfolds over the next 30 years.** These include people or things that interact with the Malawi directly (in the so-called transactional environment); as well as issues the actor(s) have little or no direct interaction with, but which can influence Malawi's future fundamentally (the so-called contextual environment) like geo-political trends and international finance.

The roles and relationships between these players can change over time and it is important to realise where power and vested interests lie when contemplating alternative futures.

The players were identified as:

- Policy makers
- Technical experts
- Civil society e.g. Non-Governmental Organizations
- Communities
- Faith based organizations
- Farmers unions
- Private sector (local and international)
- Politicians
- Academia
- Traditional leaders
- Development partners both countries and international organizations
- Britain, US, China, South Africa, Zambia, Ireland, Italy, Tanzania
- Regional Economic Communities e.g. COMESA, SADC, AU/NEPAD,
- The youth
- Trade unions
- Foreign Direct Investors
- Farmers
- Fishermen
- Media

#### 4. Driving Forces

This session involved a discussion on the driving forces which are the **factors that shape the future**. They are those underlying and impacting factors that set the pattern of events and determine the outcomes of how the socio-economic future of Malawi will evolve over the next 30 years. Driving forces typically include the state of the economy, political decisions, emerging trends, demographic realities, technological drivers, the state of the natural environment, etc. Some of the challenges contained the drivers that would shape the future.

There are two categories of driving forces, namely certainties and uncertainties. Certainties are drivers that can be reasonably predicted and one can, with a certain level of ease, point out how they might play out in the future. They are the 'given' and they form the rules of the game and used to enrich the story lines or plots. For instance, the participants shared that they were certain that the population would increase – this has distinct impacts and implications and is therefore, treated as a 'known'.

**A. Certainties** (also referred to 'rules of the game') generated by the workshop participants included:

- **Demographics**

- ✓ Increased population growth – 37 million Malawians by 2040
- ✓ Youth engagement in agriculture is very low. Agriculture was used as a form of punishment in schools and the youth view it negatively– it needs to be defined differently with a look at the whole value chain.

- **Environment and Resource Management**

- ✓ Climate change will be an issue with great impact in future
- ✓ Management of strategic game reserves is a political issue.
- ✓ Energy generation will be diversified and there will be many players
- ✓ Natural resource scarcity *will* impact Malawi.
  - Deforestation

- Land degradation and scarcity
- Increased competing demands for water resources
- Perennial rivers become seasonal
- Water is concentrated in a few spots

• **Economic**

- ✓ The contribution of agriculture to the economy is declining.
- ✓ Agricultural economy is land based and land tenure complexities prohibit some agricultural practices.
- ✓ Land in general and agriculture to be specific is used as a political tool by politicians, while farmers view these as economic tools.

• **Governance/Politics/Leadership**

- ✓ Issues around data, knowledge and debate around food security have been politicized.
- ✓ The porous borders [government had little control over borders] affect food security and prices.
- ✓ Policy-making is driven by vested interests
- ✓ Regionalism depends on global interests, nation-state competition and the economic development of strong neighbours, i.e. Kenya and South Africa.
- ✓ Government will always be involved in the agricultural sector.
- ✓ Visions need to have plans that need to be implementable but visions in Malawi change with leaders

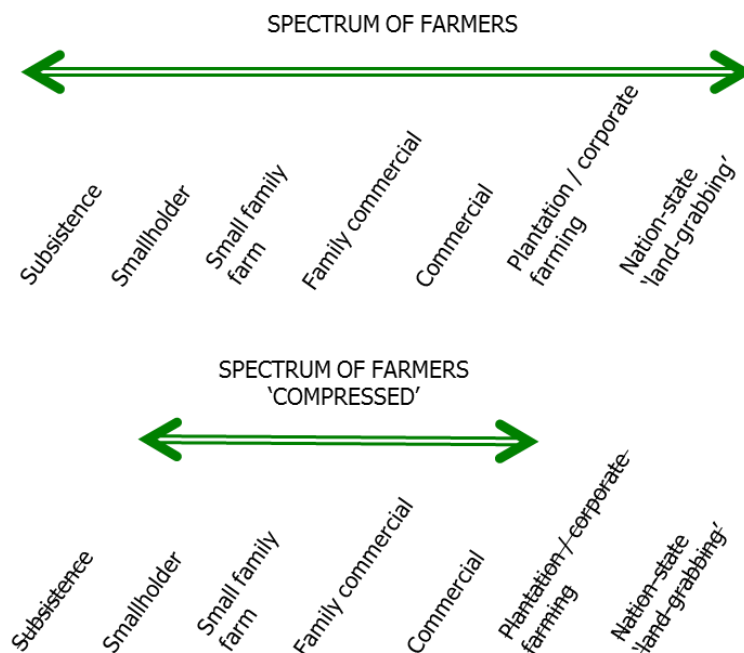
• **Investments/Stakeholders Interactions**

- ✓ Donors will continue to support agriculture
- ✓ Development partners have their own agendas.

• **Urbanization**

- ✓ Urban culture will grow – there will be change in spending patterns, eating patterns, role of women, family structure. This may lead to a breakdown of social fabric, an increase in consumer goods consumption (materialistic values) but also better access to better health care and education.
- ✓ Smaller / secondary towns are exploding.
- ✓ Increasing urban poverty – the severity of urban poverty could get worse than rural poverty.
- ✓ The rate of urban poverty is half of rural poverty. *Facilitators note: This statement depends on what is meant by ‘poverty’ i.e. how it is measured (see here for Multidimensional Poverty Index <http://www.ophi.org.uk/policy/multidimensional-poverty-index/> for example) and what is meant by ‘rate of poverty’. It is worth clarifying because whether urban poverty is better or worse, and less or more, than rural poverty could have a significant impact on what a future Malawi society might look like.*
- ✓ By 2050 half of Malawi will be urban and the urban sprawl (horizontal growth) will eat into agricultural land.

- ✓ Dependence syndrome is alive and well. Amongst the urban poor, the rural poor (demand for more projects) and the leaders (hand outs is a way of ruling people).
- **Social**
  - ✓ Increased social spending will be needed for Millennium Development Goals (MDGs).
- **Infrastructure/Technology**
  - ✓ The lack of infrastructure and an inadequate energy sector is holding Malawi back (this depends on political will).
  - ✓ ICT will play a role (as an enhancer, create awareness and empowerment tool)
  - ✓ Affordability of technology will limit its adoption.
- **Others**
  - ✓ Commercial issues depend on governance issues.
  - ✓ In 20 years' time, the desired outcome would be a 'MORE compressed spectrum of farming' as per the illustration below (fewer poor subsistence farmers and fewer giant-scale corporate outfits, but an increase in small to medium scale commercial farming).



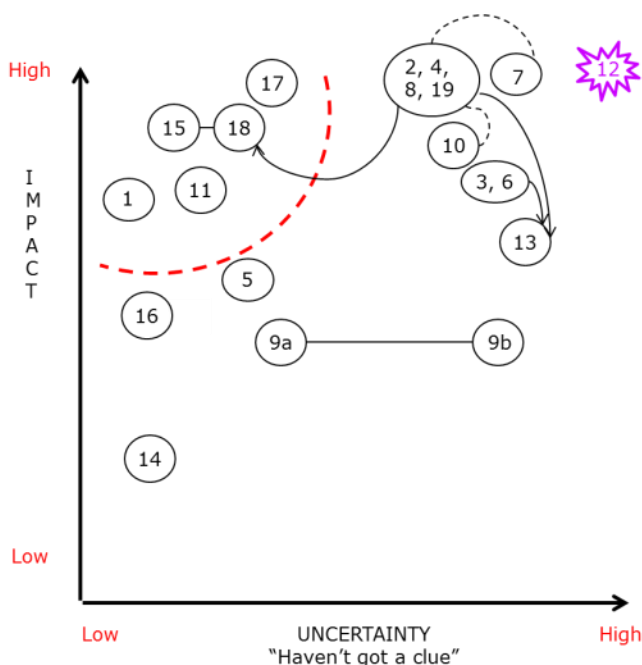
- ✓ Media – seeks to satisfy their own interests and works with those who support them.

**B. Key uncertainties** are literally the driving forces that are uncertain. They can include the so-called 'known unknowns', risks, possible trend breaks and wild cards. It is their impact and lack of knowledge about them that are vital for developing a better understanding of how the future might unfold.

For the future of Malawi the uncertainties included:

1. The severity of climate change - we do not know how bad this will be in Malawi.
2. Will there be governance that will reduce poverty?
3. The nature and structure of economy – agricultural or technological? Will it be diversified?
4. Will policy making continue to be captured by the political elite?
5. The type and volumes of development partners’ aid.
6. What other sectors might drive the economy?
7. Will meaningful investments be made in the energy and infrastructure sectors?
8. Will political support for development be selfish, or nation-state oriented (inclusive and pragmatic)?
9. Regionalism: 9a) Will it be SADC, COMESA or EAC? 9b) Will the ‘talk’ ever become the ‘walk’?
10. Will the dependency syndrome survive (as opposed to having good social protection)?
11. Will Malawi earn forex and/or drastically add productivity when urban?
12. Will there be a technology that drastically changes people lives and helps them out of poverty?  
(This was plotted as a **wildcard**.)
13. Will Malawi be able to cope with societies’ health needs?
14. Will Malawi ever ‘close down’ again politically – become a non-multi-party democracy?
15. Will Malawian agriculture continue to be a smallholder maize based system (which is abused by politicians)? #
16. Will Malawians continue to suffer in silence?
17. Will Malawi have the skilled manpower it needs?
18. Will land ownership and land management be capably sorted out in the future? #
19. Will there continue to be endemic institutionalised corruption in Malawian society?

All the key uncertainties were plotted on an ‘Impact / Uncertainty chart’ in order to prioritise those uncertainties that the participants have the least knowledge about (those that are least predictable) and that will have the greatest impact on how the future of Malawi may evolve over the next 30 years. One also tests for the level of discomfort about the subject. It is important to remember that ‘high’ uncertainty does not mean ‘high improbability’; high uncertainty means having little knowledge of how something may pan out -- it means ‘not having a clue’ -- a great lack of knowledge. This is depicted in the Impact / Uncertainty chart<sup>4</sup>.



<sup>4</sup> The Impact/Uncertainty chart also acts as a radar screen on which interested parties can monitor key uncertainties and their movement over time, and so get a better idea of the unfolding future so that they can respond more strategically and more proactively.

The key uncertainties on the top middle- to left-hand side of the Impact/Uncertainty chart are those issues that are high impact, but more certain -- issues that we have more knowledge about -- they have a more 'known' element to them. These are some of the key issues that should be factored into future planning. They can be regarded as the 'must-dos'. They include:

17. Will Malawi have the skilled manpower in needs?
15. Will Malawian agriculture continue to be a smallholder maize based system (which is abused by politicians)?
18. Will land ownership and land management be capably sorted out in the future?
11. Will Malawi earn forex and/or drastically add productivity when urban?
1. The severity of climate change - we do not know how bad this will be in Malawi.

Technology (12) was treated as a wild card because there was only speculation about it.

The drivers with the highest levels of uncertainty and impact in this case were:

- Issues related to the **nature of politics**, and as a result thereof good / bad governance (2, 4, 8, 19), and
- Issues related to the **structure and nature of the economy**, and as a result thereof diversification and the importance of sectors other than agriculture (3,6)

The participants identified opposite extremes for each of these two drivers which then provided the framework for a scenario gameboard. They are:

- *Politics for the greater good and "walking the talk" vs. Politics for the selfish few,*  
and
- *Growing and diversified economy vs. Stagnant and one-dimensional economy*



## 5. Malawi’s Socio-Economic Scenarios Game board

The scenario gameboard, with its four plausible futures and their descriptive titles, is illustrated below.

POLITICS FOR THE GREATER GOOD "WALKING THE TALK"		
STAGNANT & ONE-DIMENSIONAL ECONOMY	<b>WOKANKHA</b> <b>"Struggling"</b>  Despite best intentions, and even better deeds by those in power, Malawians are still struggling after all these years. The structure of the economy never really changed even after the political 'transition' – the sea-change that is so admired now. How long can these good intentions and decisions last if there is no food on the table....?	<b>MKAKA NDI UCHI</b> <b>"Land of milk &amp; honey"</b>  Like the agricultural abundance of the biblical Land of Israel, Malawi is flourishing. And it's not just the economy. The whole cabinet recently shared the Africa Good Governance prize. All Malawians are celebrating the success of its socio-political systems, and just love being <i>the</i> role model.
	<b>WOTSALIRA</b> <b>"Un-progressive"</b>  To think that Malawi in the mid 2010's was a great place to be compared to now. Despite donor dependence and corruption, there was at least a functioning system. Now there is nothing! Landgrabs and daylight robbery by those in power are the only functioning issues, whilst the people are suffering with no hope.	<b>MBOMBO</b> <b>"Greedy"</b>  Nothing much has changed over the years -- especially not 'snouts in the trough' behaviour... Other than that the economy is sizzling HOT. The Chinese and Indians are competing to invest, and Shell has just completed the gas pipeline to Gauteng. Young people dream and scheme of becoming a politician. It's the most lucrative career by far.
POLITICS FOR THE SELFISH FEW		

**Mkaka Ndi Uchi** (a Chichewa word meaning a land of milk and honey)

is the future of a Malawi where politicians are altruistic and take decisions for the greater good, especially keeping in mind the poor, and where the economy is growing and diversified.

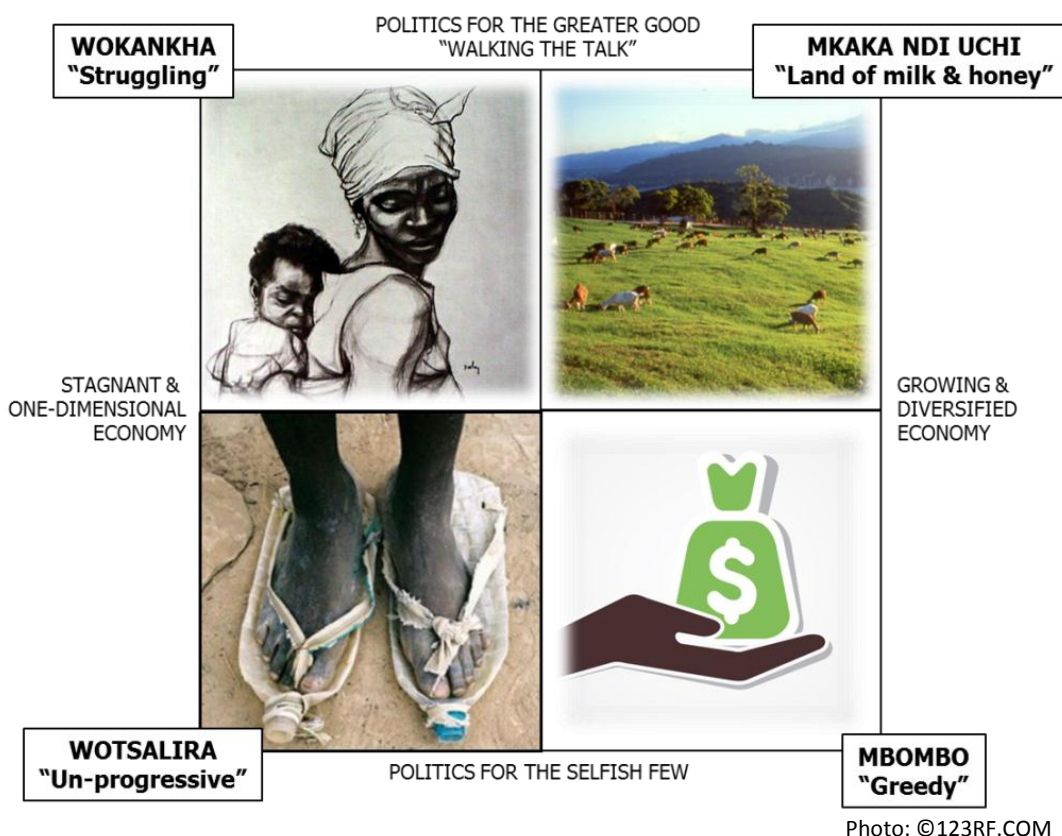
**Mbombo** (A Chichewa word meaning greedy)

is the future of a Malawi where politicians are in it for themselves (and their handful of supporters), yet the economy is growing and diversified

**Wotsalira** (A Chichewa word meaning backward/ not progressive) is the future of a Malawi where politicians are in it for themselves (and their handful of supporters) and the economy is stagnant and one-dimensional – not having different, diverse sectors.

**Wokankha** (A Chichewa word meaning struggling)

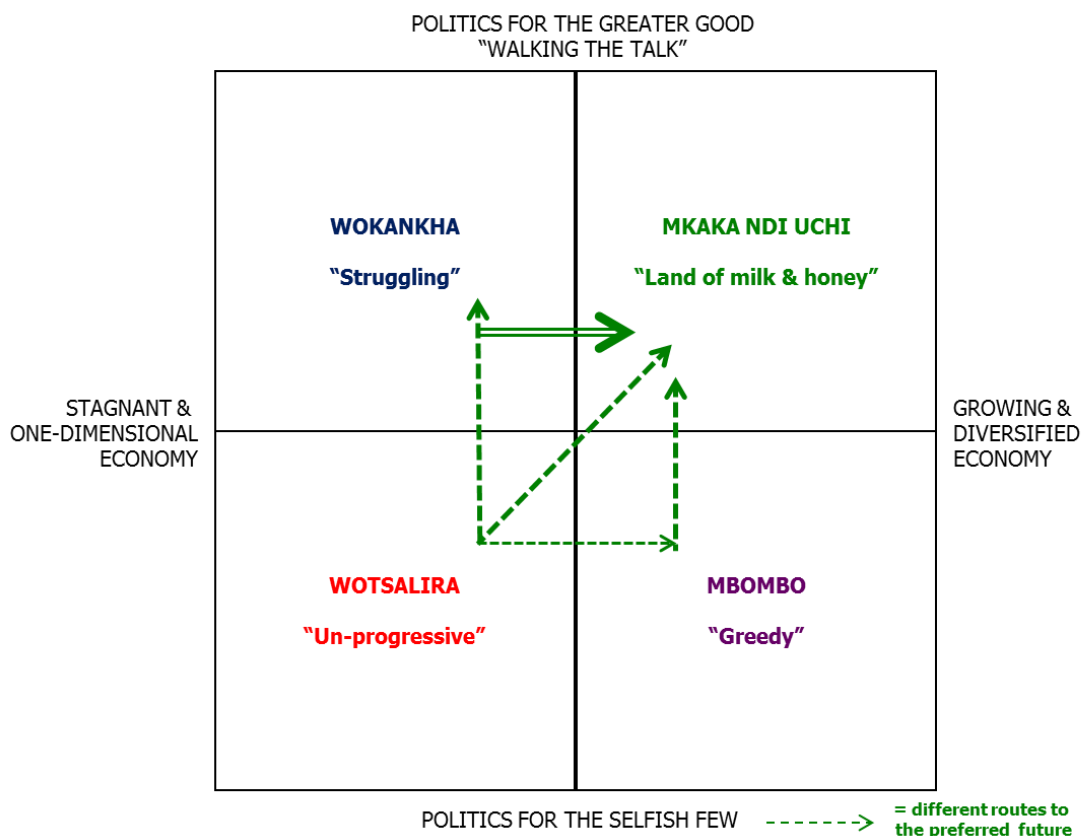
is the future of a Malawi where politicians are altruistic and take decisions for the greater good, especially keeping in mind the poor, yet the economy is stagnant and one-dimensional – not having different, diverse sectors.



There was immediate agreement amongst participants that MKAKA NDI UCHI was the preferred scenario, but that any of the other scenarios were also plausible. In a discussion around which path Malawi may take into the future, potential routes to MKAKA NDI UCHI were plotted on the gameboard. This is illustrated below. There are different route possibilities that are equally plausible –these most often depend on what decisions are taken in the present.

What was noteworthy was the realisation that even if Malawi has no control over external economic developments, politicians and leaders *do* have control over the nature of politics. If this were to shift to 'politics for the greater good', that would create a better likelihood of a strong driver pushing towards a growing diversified economy, thus a route leading to MKAKA NDI UCHI.

The other interesting observation was the mutually beneficial relationship, and strengthening between good governance and good economic management. If this were to occur in Malawi it would create a direct route to MKAKA NDI UCHI.



## 6. The Scenarios Stories

The participants were divided into four groups and they were asked to explore how the drivers and various issues like agriculture, climate change and food security would play out in each of the scenarios stories. They were also asked to look at how the various stakeholders interacted in these environments. The final output of the discussions would be presented in story formats.

### The Mkaka Ndi Uchi scenario

#### Address to the United Nations by the Malawian Ambassador about the success story of Malawi for the past 20 years

All protocol observed, Good morning! Malawi's economic growth has continued to be resilient and one of the fastest in Africa. The per capita income has increased ten-fold in the past 20 years. Total fertility has decreased from 6 children to 3.1. The key factors to this success story are:

- Malawi planned for and invested in massive infrastructure and services projects particularly in the energy, transport and irrigation. As a result the country was able to attract foreign direct investments. Our strategic partnerships with multilateral and bilateral organizations played a very catalytic role.
- Governance is now heavily decentralised. The education system has been reformed. It is now able to produce the required skills for development.

- Public finance management has made the systems more transparent and efficient. The economy has largely been opened up, is market oriented and the state is just a regulatory institution.
- With regards to social support systems, safety nets have replaced the non-productive consumption subsidy that had historically eroded the good fiscal space.
- Efforts have been made towards enhancing inclusiveness. Democratic tendencies are now a norm. People are free to voice their grievances.
- Women have become key sources of growth as their participation in the labour market has increased. The youth are more meaningfully engaged in development initiatives

The journey has not been devoid of challenges. The population growth momentum still exerts pressure on land and land based resources leading to degradation of the environment. The urbanization is high creating urban poverty. Despite all these challenges, there is still hope that the country with its people will work together to find solution to its challenges. Thank you!

### The Mbombo scenario

### The Malawian President's address to the nation

Citizens of this nation!

Today marks a new beginning for the nation of Malawi. I would like to start by thanking you for electing me and for the good work you are doing towards building the nation. The nation is faced with numerous challenges and these calls for a change in the running of the affairs of this country. It will no longer be business as usual. After deliberations and wide consultation, the leadership and I have come developed a plan for the prosperity of the nation hence this address today. My government will have a lean executive.

There shall be guided democracy unlike what is practiced in the west. The nation shall be a one party state. As of today, all other political parties have been dissolved. The economy will be centralized. The country shall adopt guided capitalism. My cabinet shall be in charge of all policy making. Any official communication shall be done through the government's spokesman. All media houses are advised to work with his office. The media is hereby encouraged to practice responsible journalism. Any information contrary to official communication shall be treated as an act of treason. In efforts to tame our population growth, all families have been restricted to having two children. Any disobedience will not be tolerated. The government shall put in place robust social welfare and economic systems to address unemployment challenges and its effects.



Measures have been put in place to improve agriculture and improve the country's efforts towards food security. The government shall invest heavily in agricultural subsidies and intervene in the markets using a twin track approach combining aspects of the state interventions and the free market. The government shall establish strong regulatory framework (top down approach) to guide the sector. We believe that all these efforts will lead to diversified agriculture, an increase in the yields that will allow us to competitively compete in the export market. Increased income from these efforts will help move our people out of poverty.

The government is keen on the involvement of the youth in and they are the key to moving agriculture from small holder farming to medium- large scale agriculture. The government will focus on strengthening the vocational training institutions especially those focusing on agriculture and sustainable land management. My government shall also increase its investment in climate change adaptation, smart agriculture and in agriculture technology with more focus on irrigation and interventions on tree planting and renewable energy.

There shall be challenges and limitations. The government expects a few dissenting voices. Any uprisings or violence shall be met with the full force of the government. Externally driven social media propaganda and abuse of civil society organization shall not be tolerated. My government welcomes partnerships from the international community. However, any interference and destructive criticism from them shall not be tolerated.

### **The Wotsalira scenario**

By 2040, communities are struggling with poverty and have poor access to quality water and health services, Most of the youth who make up the largest proportion of the population will be used by politicians during campaigns and to further their political agenda throughout their terms. Land holding size and quality will have gone down and the farmers in the communities will produce low yield that only lasts them for a month. This is due to land degradation and huge focus and dependence on maize farming. The country will have acute levels of food insecurity.

The high population growth will put a strain on public service delivery. Corruption has resulted in scandals whose results are shortage in products and services like of drugs in hospitals and lack of farming inputs. NGO's/ government support to various community programmes will not equal the demand from the booming population.

There will be loss of biodiversity as a result of climate change and human encroachment. High unemployment levels, poverty and lack of income has led to destruction or overexploitation of natural resources through activities like selling charcoal/ fuel wood. People will be walking long distances to fetch water and collect firewood. Traditional medicines will be scarce. Culture practices and traditions will be a thing of the past. The actors in this scenario will be politicians, communities, government and NGOs

### **The Wokankha scenario**

#### **The Malawian President's speech to development partners, investors, trade unions, farmer representatives and technical experts**

My Government has put in place land reform policies to address land fragmentation and invested in infrastructure (good roads, silos, etc.). Climate change policies have also been put in place and

implemented in the context of the National Agricultural Strategy. However, the government lacks sufficient resources to invest in irrigation facilities. The donors had promised us grants but have not honoured their word to date.

Our strategic grain reserves have been mismanaged leading to waste of grain and this has contributed to the high levels of food insecurity. Measures have been put in place to overcome such short falls. However, climate change policies without the necessary investment in irrigation infrastructure are ineffective. It has become increasingly difficult to predict exactly how climate change would manifest itself. Climate change has worsened as evidenced by extended droughts and increase in floods.

To the private sector I ask: where is the investment you had promised if my government put in place land reform policy, and the necessary infrastructure?

To Development Partners I ask: what should we do now that climate change is worse than we thought? I had told you years ago about Malawi's need for irrigation infrastructure, but your priorities at the time were all about basic education. Now we have high numbers of educated youth in an undeveloped economy. The high unemployment levels have made them miserable and the country is experiencing high levels of brain drain.

To technical experts I ask: where are the technologies you promised for high yielding varieties not only in maize but also other crops?

To overcome these challenges we must move forward together with a new agenda which includes:

- i. A review of cooperation priorities, including honouring pledges;
- ii. Improve governance to overcome barriers to doing business, accompanied by assurances by the private sector interest in diversifying economic activities;
- iii. Incentives to retain skilled labour;
- iv. Increase public research in agriculture diversification.

We hope that we can now move forward together with renewed vision to achieve sustainable development for Malawi. I thank you for your attention.

## **Comments from the plenary about the scenarios**

### Regarding Wotsalira

- There are other diverse key players, not just the ones mentioned in the story.
- The story is fundamentally worse than the current situation.
- In Wotsalira poor communities and poor people have zero ability to eke out a living, whereas currently the ultra-poor can cope for 3-4 months between harvests.

### Regarding Mkaka Ndi Uchi

- A request was made for an invitation to the ambassador's reception party to celebrate.

## 7. Observations from the Scenarios Stories: Options, Risks, Opportunities and Must Do's

- Even with good policies, things can go wrong as illustrated in the Wokankha Scenario.
  - With limited resources, one needs to prioritize.
  - While creating the Mbombo Scenario, the participants were forced to take a critical and objective look at the positives that could emerge out of a negative situation like a one-party state. The choices that made the nation in the Mbombo Scenario successful could be seen as wrong and negative or would be unpopular in this day and age. Such decisions need to be critically analysed. The stories forced the participant to think beyond the norm.
- The exercise enabled the participants to identify potential pitfalls and provide solutions for these and to think beyond 2040. It also made them think of the strategies that should be put in place now to shape the future
- In the normal planning processes in Malawi, it may not be possible to include all the right actors and the stories helped them incorporate more of them.
  - Some elements of a state controlled economy would not appeal to the youth who may view it as an attempt to infringe on their rights.
  - There is a need to change from the business as usual approach to conducting business with a changed mind-set among the citizenry and other players. This would be challenging.
  - Agriculture can change from smallholder farming to commercialized farming if smallholder farmers actively engage in the markets, especially through cooperatives. The cooperatives move beyond mere marketing of raw produce by adopting value addition.
  - The participants suggested that the following could be done to improve smallholder farming;
    - improving market access,
    - enforcement of policies,
    - improving infrastructure, and
- Radical policies get little support hence have little impact, if any. However, countries like China have been successful despite their radical policies and have implemented big projects with no donor financing. Malawi gets rewarded for thinking and doing small things. If the policies are radical, investors and donors will not partner with the country. A more liberal approach and inclusive policies are more attractive to investors and partners. The participants wondered what these partners were afraid of.
- Investment in irrigation will result in an agricultural boom in Malawi. However, this would be a very expensive venture.
  - Financing subsidies is a very expensive venture in Malawi. Subsidies are however very important to the farmers.
  - Donor financing comes in waves and has 'strings attached' to it.
  - A participant realised that scenarios building was a planning exercise and that it could help tackle the topic and give the context as well as measure progress i.e. how far are we (Malawi)? The exercise could contribute to a more robust planning process.
  - The issues discussed throughout the scenarios building process could translate into economic factors.
- Climate Smart Agriculture issues cannot be viewed in isolation.

- Some of the opportunities include strengthening the local cooperative development and advocacy or projects geared towards encouraging farmers to form groups. The latter has not taken off in the past and this should be investigated further.
- One of the participants' 'Wow Moment' was that he realised that Malawi had a long way to go from Wotsalira to Mkaka Ndi Uchi and that the journey had to involve all stakeholders. Also, Malawians need to accumulate savings and become self-reliant.
- In future, the drivers could have been classified further as direct and indirect drivers.
- The process helped to surface many issues around and beyond climate change and food security and explore the linkages. The process was holistic since all the other issues discussed have an impact on CSA.
- It was suggested that more discussions could be held on how to transform the challenges into interventions.
- State interventions are important, especially in capacity building for farmers and other stakeholders in the agriculture sector.
- The future is heavily dependent on the decisions made today.
- External interests can also affect Malawi's path positively or negatively.
- The discussions were useful especially the analysis of the uncertainties (allocate more time to this in future). It is the type of conversation that rarely features in the planning approaches or processes. A participant shared that he was able to pick out issues that could be used in mapping and modelling from an economic point of view. They hoped the approach could be taken beyond the room and there were requests for more information on the method and approach.

## Adjournment

Dr Andrea Cattaneo, the CSA project leader from FAO thanked the facilitator for a job well done. He shared that there would be a back-casting workshop in 2014 and asked the participants to avail themselves. Mr John Mussa, Director for the Land Resources and Conservation Department in Malawi thanked the participants for their active involvement in the workshop and shared that he looked forward to the final report.

The proceedings of 30 October, which was an effort to figure out how to link the qualitative Scenarios to the inputs and parameters required by the different quantitative models that will be used for the entire project, is available as a separate document.

The scenarios workshop closed at 17:00 on 29 October 2013. This serves as a working document that can be used by all the workshop participants, and/or it can be utilised / expanded into other relevant formats.

**VERONICA NGUTI & TANJA HICHERT**

**10 November 2013**



**ANNEX 1****List of workshop participants and their organisations**

<b>NAME</b>	<b>ORGANIZATION</b>
Mr John MUSSA	LRCO
Mr James BANDA	LRCO
Dr George PHIRI	FAO
Mr Hastings K. NGOMA	MOAFS
Mr Charles MTONGA	MEPD
Dr Anand BABU	UNDP / MEPD
Mrs Sophie MAHONYA	LEAD
Mr Henry KHONYONGWA	Irish Aid
Mr Titus ZULU	FD
Mr Gray MUNTHALI	DCCMS
Mr Felix TUKULA	MLH
Dr Estone SAMBO	Chancellor, College
Dr Solomon ASFAW	FAO
Mr Prince KAPONDAMGAGA	Farmers Union
Mr Tamani NKHONO-MVULA	CISANET
Dr Andrea CATTANEO	FAO
Ms Dalitso KAFUWA	World Bank
Ms Annie MAPULANGA	Ministry of Environment
Mr Austin TIBU	Ministry of Agriculture
Ms Tanja HICHERT	CCAFS Facilitator
Ms Veronica NGUTI	CCAFS Facilitator

**ANNEX 2**  
**GROUP PHOTO OF PARTICIPANTS**







**Economics and Policy Innovations for Climate-Smart Agriculture Programme**

Agricultural Development Economics Division

Food and Agriculture Organization of the United Nations

Via delle terme di Caracalla, 1

00153 Rome

Italy

[epic@fao.org](mailto:epic@fao.org)

[www.fao.org/climatechange/epic](http://www.fao.org/climatechange/epic)



ECONOMICS & POLICY INNOVATIONS FOR  
CLIMATE-SMART AGRICULTURE