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Expanding Impact on USAID/Zambia Supported Value Chains

USAID/Zambia Cooperative Agreement
No.611-A-00-09-00005-00

(October 1st 2009 to March 31st, 2013)

Final Report

Table of Contents

I. Introduction	4
II. Program Methodology and Facilitation Activities with Lead Firms.....	4
2.1 Tools for Identifying Lead Firms and Lead Firm Initiatives	5
2.2 Facilitation Activities with Lead Firms.....	6
III. Facilitation Activities with Specific Lead Firms	8
3.1 Agribusiness Value Chain.....	8
1. Avian	8
2. Lumuno.....	8
3. Parmalat	9
4. Sylva Foods	10
5. Dunavant.....	11
6. Mucha Agri-Business	13
7. Sunline Investments.....	13
8. Chanermas Dry Food Enterprise	14
9. Glymo Enterprise.....	14
10. Basa Agro Ltd.....	15
11. Kansefu.....	16
12. Standa Enterprises	16
13. Dytech.....	17
14. Zelo Foods	17
15. Miombo Forestry Products	18
16. Yambeeji.....	18
17. Savanna Streams.....	19
18. Natural Herbal Health.....	19
3.2 Agricultural Input Supply Companies.....	20
19. Kamano Seed Company	20
20. ATS Agrochemicals	21
21. Minelands	21
22. Plant Agrichem Services (PAS)	22
23. Farmerslink.....	23
3.3 Tourism Value Chain	23
24. Floating Skies	23
25. Kaingu Safari Lodge.....	24
26. Arts Cafe.....	25
3.4 Craft and Craft-Export Value Chains.....	25
27. Hipego	25
28. African Ceramics	26
29. Just Africa.....	27
30. Nangaunozye Fashions	27
31. Miapen	28
32. Africa Joy	28

3.5	Cross-Company Support Activities.....	29
IV.	Capacity Building of Local Development Practitioners in Value Chain / Market Development Methodologies	30
4.1	Value Chain Training Workshops.....	30
4.2	Organization of Market Development Working Groups.....	31
4.3	Guest Speaker Events.....	31
4.4	Inclusive Business Conference.....	31
V.	Administration and Management.....	32
VI.	Monitoring and Reporting	33
6.1	Program Monitoring System	33
6.2	Lead Firm Technical Reports.....	33
6.3	Program Indicators and Results	33
VII.	Key Learning.....	35
VII.	Conclusion	37
	APPENDICES.....	38
	Appendix 1: Illustrative Business Plan Question Guide	
	Appendix 2: Sample Monitoring Checklist	
	Appendix 3: Financial Reporting Example	
	Appendix 4: Indicators	
	Appendix 5: Sample Invitation for Applications (IFA)	

I. Introduction

This report presents the results of AFE’s USAID-funded program entitled “Expanding Impact on USAID/ Zambia Supported Value Chains” that took place from October 1st 2009 to March 31st 2013. Under this program, AFE facilitated increased learning and benefits for a wide range of micro, small, and medium scale enterprise (MSMEs) that were engaged in commercial relationships with lead firms (LFs)¹. This was done by working with these firms (also referred to as “inclusive businesses”) to develop or improve their ability to provide needed support to the MSMEs they source from or sell to. AFE worked in agribusiness, tourism and crafts value chains. Through its facilitation activities more than 26,000 low-income producers were positively impacted.

The report begins with a general presentation of the tools, methodology, and facilitation activities used by AFE for engaging and collaborating with value chain LFs. This is followed by a description of each LF that the program collaborated with and the initiatives they undertook with AFE technical and financial support. “Cross-company” facilitation activities conducted by the program are then presented followed by a section on program activities designed to inform, train and build the capacity of local development practitioners in value chain and market development approaches. A section on program management activities is then presented followed by a presentation on the program’s monitoring systems. This section includes a presentation of final program results according to the most recent USAID FTF indicators.

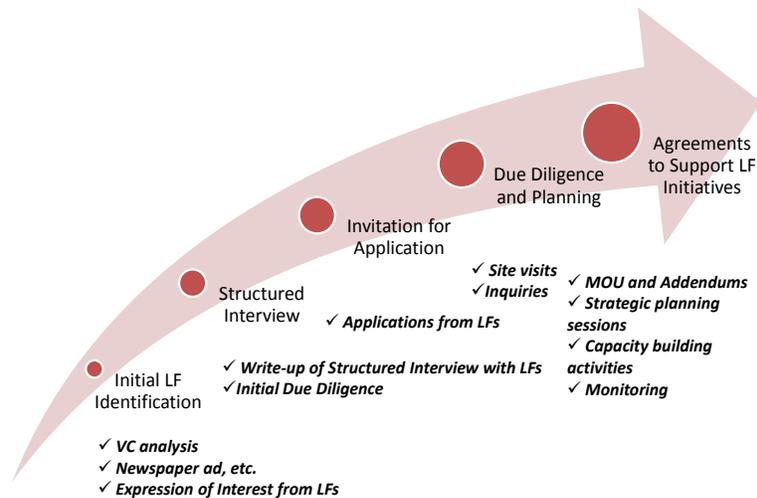
II. Program Methodology and Facilitation Activities with Lead Firms

This section presents the general methodology and activities that were implemented during the program. The approach was based on collaborating with value chains LFs (that do not depend on donor subsidy for their operations) to help ensure the sustainability of program impact. LFs have economic incentives to support the producers in their supply chain or distribution channel with products, services, and support and to maintain a positive relationship with them. Because of this the chances that they will continue to sustain those relationships after participating in a development program are greatly increased. Also, by working with many LFs in the same value chain the AFE program was able to greatly increase its impact on small-scale producers.

AFE developed a set of tools to facilitate the program’s work beginning from LF identification through establishing and monitoring individual agreements with LFs. A diagram of these tools, presented according to steps in the facilitation process is presented below.

¹ Lead Firms can be defined as small, medium, or large firms that have forward or backward commercial linkages with a significant number of MSMEs

Facilitation Steps and Tools for Working with Lead Firms



These tools, and how they were applied in AFE’s Zambia program, are presented in more detail below.

2.1 Tools for Identifying Lead Firms and Lead Firm Initiatives

AFE Zambia utilized several tools for identifying lead firms and making an initial determination as to whether they met established criteria, including: 1) value chain analyses; 2) inviting firms to submit “expressions of interest” through a public advertisement, and; 3) conducting structured interviews. These are discussed in more detail below.

Value Chain Analysis

In some cases, such as with the groundnuts and soya bean value chains in Eastern Province, AFE conducted a value chain analysis of high potential crops in order to identify market actors and their relationships, constraints facing producers and others, market-based solutions to those constraints, and LFs with incentives to provide those solutions in a sustainable manner. In other cases, AFE identified LFs that had received investment or export promotion support from the USAID-funded MATEP program (that ended shortly after the AFE program began).

Advertisements

Public advertisements (through newspapers and distribution to market actors) were also used to identify LFs that fit the profile and criteria of the program. The advertisements ensured that the program provided an equal opportunity to all qualified LFs to participate, including those that were not known, or not identified in the initial value chain analyses. The goal of these public advertisements was to invite LFs that fit certain criteria to submit an ‘expression of interest’ (EOI) to collaborate with the AFE program. Program staff then reviewed the EOIs that were submitted, compared the LFs with the identified selection criteria and determined which ones merited follow-up.

Structured Interviews with Lead Firms

In-depth interviews with lead firms were then conducted to ascertain if they met selection criteria, their interest and incentives in collaboration, their willingness to share information, and

their attitudes about supporting producers. These interviews were then followed up with reference checks with LF suppliers, buyers and/or service providers.

Identifying LF Interventions that the Program Could Support - AFE Zambia then prepared application formats, referred to as “Invitation for Applications” (IFAs), to assist LFs to identify and propose interventions that could be supported by the program, and that could help the LFs to overcome the challenges they faced in providing targeted market-based solutions to MSMEs. Different IFAs were developed for different kinds of value chain market actors including agribusiness companies that source local crops, agricultural input supply companies, tour operators/lodges, and craft production/export companies. A sample IFA designed for input supply companies can be found in Appendix 5. The IFA process was not a competitive ‘winner takes all’ exercise. All LFs that meet the criteria were eligible for support.

Through the IFA, LFs were invited to propose *their* initiatives to build competitiveness and upgrade MSMEs in their supply chain or distribution channels (*rather than have the program come up with the initiatives*). IFAs provided the LFs with criteria and parameters of program collaboration and stipulated that the program was willing to provide technical and financial support for research, product development, capacity building, exploration of new markets, etc., but not for fixed assets or recurrent operational costs such as personnel. Negotiations and discussions were done by carefully going through applications together with the LFs to discuss and negotiate strategy, timing, technical and financial support. It is important to note that the LFs were responsible for organizing and managing any proposed initiative.

Due Diligence - AFE staff conducted basic due diligence of LFs that were being considered for collaboration in order to determine whether they warranted follow-up after initial interviews were conducted and IFA applications submitted. This included validating that the LF was a registered company and whether it was receiving support from other donors. Additional due diligence was conducted to determine whether the information presented in their applications (about their operations, the producers they transact with, etc.) was accurate.

Structuring Collaboration with Lead Firms - Memorandums of understanding (MOUs) were then created with the LFs that provided a general overview of the type of activities to be promoted (along with general legal provisions) but that did not make firm commitments from the program for technical or financial support. These MOUs became overarching agreements under which “addendums” were developed for each specific initiative. This provided a flexible platform for collaboration, allowing the AFE program to demonstrate progress and commitment to the LF immediately while still negotiating specific activities. Additionally, using addendums allowed AFE and the LFs to take advantage of new opportunities for collaboration as they developed, increasing the program’s effectiveness.

2.2 Facilitation Activities with Lead Firms

By the end of the program AFE had entered into collaborative agreements with 32 lead firms in the agribusiness, crafts and tourism value chains which resulted in positive benefits for over 27,000 MSMEs. Through a combination of technical and financial support, AFE supported the LFs to successfully design and implement their initiatives to support producers and entrepreneurs that they transact with. AFE program technical support was provided through a variety of facilitation activities, described below.

1. **Assistance in Developing LF Initiatives:** AFE staff carried out in-depth reviews of the initiatives proposed by the LFs (IFA applications) and then held extensive discussions with the LFs to help them to think through their proposed activities in a systematic and thorough fashion. This helped the LFs to improve their strategies and come up with well-thought out and cost effective strategies.
2. **Use of Question Guides for Strategic and Business Planning** - Question guides were developed and used by AFE staff to present the critical questions and decisions that the LF needed to make before engaging in a particular investment or intervention. They were used to guide the LFs through the thinking that needed to take place for each intervention, the decisions that needed to be made, and the tasks that needed to be carried out to help ensure the successful preparation and implementation of their initiatives. Question guides were used successfully in the AFE Zambia program to:
 - assist LFs in developing strategies and operational policies for **outgrowing operations** (see examples of these question guides in “Facilitating the Development of Outgrowing Operations, A Manual” at www.actionforenterprise.org)
 - assist LFs in developing **business plans** for different kinds of investments to improve their competitiveness and improve the products, services and support they provide to MSMEs they buy from or sell to (*see Appendix 1 for an example*)
 - assist LFs in developing **marketing plans** to address the challenges they face with the promotion and sale of their products
 - assist the LFs in planning the necessary steps and tasks to organize **field days, demonstration plots, and training activities**.
3. **Capacity Building to Conduct Producer Trainings** – AFE staff worked with LFs (that had proposed to train producers) to build their capacity to design and implement effective training programs for MSMEs. This included the use of adult learning methodologies and practical demonstrations.
4. **Organization of Exposure Visits** – Several LFs requested support in arranging exposure visits to learn best practices, identify potential buyers and suppliers, and gain important knowledge about their industry. In some of these cases, the AFE Zambia team provided technical support in identifying appropriate companies and individuals to visit and in arranging travel logistics. Exposure visits were conducted both by individual LFs and also by small groups of LFs.
5. **Monitoring LF activities and Providing Feedback** – AFE program staff personally attended all of the LFs’ field activities and used a variety of tools to support and monitor the implementation of agreed upon LF interventions and to provide feedback. These tools included checklists for different kinds of LF interventions (*see Appendix 2 for a sample checklist*). Specific checklists were developed to support and monitor LF training activities, field days, demonstration and trial plots, and exposure visits. AFE staff also held regular feedback sessions with LFs after initial interventions to discuss how similar future interventions could be improved.

III. Facilitation Activities with Specific Lead Firms

AFE facilitation activities with specific LFs are presented below including: 1) a description of the LF; 2) the objective of their initiative (*implemented with technical and financial support from AFE*), and; 3) a summary of activities undertaken. Lead Firms are presented according to agribusiness, input supply, craft and tourism value chains.

3.1 **Agribusiness Value Chain**

1. Avian

Avian is a poultry input distribution company, supplying day old chicks, medicines and stock feed to poultry farmers in collaboration with Ross Breeders and Nutrifeds. They are the primary supplier of poultry inputs in the Copperbelt with eight outlets and ten agents in the area. 80% of their customers are small scale farmers. They therefore have incentives to invest in and upgrade the producers they sell to.

Objective of AVIAN initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to improve the livestock management capacity of the “back yard” farmers they sell to (or might sell to) in order to increase their productivity and capacity to buy poultry inputs.

“... I would say that one of the benefits of the training, for me, is that I was able to reduce the mortality rate in my broilers – from as high as 8 per 100 broilers to about 2 per 100 broilers on average. This can be attributed to the knowledge I gained from the training.... And because of this, I have been able to realize profit from my broiler business...” Ms. Chibwe, poultry farmer, Chingola

Cumulative Activities during the program

The following activities were conducted by Avian with technical and cost share support from AFE Zambia: 1) conducting a Training of Trainers (TOT) for their staff; 2) training of 768 farmers; 3) development and distribution of 2,000 producer manuals on poultry management; 4) creation of three poultry demonstration houses; 5) conducting six farmer field days; 6) development of a business plan; 7) in-depth discussions about lessons learned and next steps; 8) training field-days for 184 farmers; 9) preparing and conducting an exposure visit to poultry input supply companies in India.

Avian’s initiative resulted in over 1300 new poultry farmers purchasing higher quality inputs and increasing poultry yields. Company’s sales have also increased by 300%.

2. Lumuno

Lumuno is a producer of organic herbs, spices, chili sauces and honey for the local market. Sales of their products, especially chili sauces, have continued to grow.

Objective of LUMUNO initiative (implemented with technical/ cost share support by AFE)

The objective of their initiative was to: 1) expand their network of outgrowers and improve the capacity of these outgrowers to grow high quality organic chilies, herbs, and spices; and 2) diversify their product range and increase sales, which would in turn lead to increased purchases from farmers.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Lumuno with technical and cost share support from AFE Zambia: 1) development of policies and procedures for outgrowing operations; 2) development of a business plan; 3) training of 112 farmers; 4) development and printing of 200 chili producers manuals; 5) development of a producer's contract; 6) development of demonstration plots for herbs and spices; 7) conducting farmer field days on both organic chili and herb production; 8) an exposure visit to the Nali company in Malawi to learn from their work with outgrowers and processing; 9) a TOT for company staff and nine lead farmers in herb production; 10) training of 93 farmers in herb production; 11) development and printing of a producers' manual on herb production; 12) hosting a delegation of investors from the U.S. (Red/One); 13) updating the strategic plan for outgrowing operations; 14) an exposure visit to South Africa to explore new processing equipment to meet market demands for their products, and; 15) development of a company website.



Training at a rosemary demo plot

Through its initiatives Lumuno formalized its operations and increased farmer purchases by 300% generating much needed additional income for farmers and their families. Farmers upgraded their skills and diversified production to include both organic chilies and dried herbs. Lumuno own sales increased by 240%.

3. Parmalat

Parmalat is the largest dairy processing company in Zambia, selling both locally and regionally.

Objective of the Parmalat initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to: 1) increase farmer productivity (and income) through training in hygiene and stock feed improvements and; 2) build the capacity of their extension agents to improve their training skills using more practical and adult learning methodologies.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Parmalat with technical and cost share support from AFE Zambia: 1) conducting a TOT for their staff in product specifications and use of adult learning methodologies; 2) training of over 1,400 farmers in different aspects of dairy production; 3) development/upgrading of producer manuals and printing of 1,850 manuals; 4) conducting four trainings in marketing, strategic planning and leadership for milk center committees; 5) exchange visits by four farmer groups to learn improved farming techniques; 6) a second TOT with greater



Exchange visit to dairy farmers

emphasis on practical demonstrations; 7) six two-day trainings for producers on improved hygiene and farm stock feeding; 8) exchange visit of seven lead farmers and Parmalat staff to Malawi to gain experience and knowledge about best practices in dairy production; 9) group discussions with dairy farmers on experiences in Malawi; 10) three-day study tour and training in basic health, dairy production at Batoka for 55 lead farmers; 11) training of 15 Community Livestock Agents in dairy health topics, and; 12) guidance on low cost video production.

Parmalat's initiatives helped over 1400 farmers develop improved animal health maintenance skills, easier access to company-trained extension agents, improved milk production and greater income.

4. Sylva Foods

Sylva Foods is the largest processing company of indigenous vegetables in Zambia, selling both locally and regionally.

Objective of Sylva Foods initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to: 1) increase the capacity of company staff to carry out cost effective training programs to larger numbers of producers in production and post-harvest techniques, and; 2) develop improved techniques for producing and packaging dried soup using indigenous vegetables. This in turn would give the company greater access to high quality raw materials for their finished products and greater market access, allowing them to purchase more from producers.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Sylva Foods with technical and cost share support from AFE Zambia: 1) development and updating of policies and procedures for outgrowing operations; 2) a TOT for Sylva staff; 3) training of 774 vegetable farmers; 4) development and printing of a trainer's module; 5) development and printing of 1,000 producer manuals; 6) monitoring procurement of crops and contracts; 8) conducting a trade mission to India to visit companies that could supply Sylva Foods with improved machinery for producing and packaging dried soup; 9) development of pictorial training material; 10) updated training materials and producer's manual based on feedback from farmers; 11) training of 288 producers in drying vegetables, cassava and fruits; 12) exposure visit to the US to identify machinery to process cassava, package vegetable soup and process groundnuts, and; 13) updating of their strategic plan for outgrowing operations.



Training in drying indigenous vegetables

Success Story – Dried Vegetables for Improved Livelihood

Zambia possesses a wide array of indigenous vegetables that the population enjoys but that are not available on a regular basis. These include bondwe leaves, sweet potato leaves and jack bean leaves. Sylva Foods Solutions (SFS), a private company focused on producing and selling dried indigenous vegetable products, requested technical and financial support from AFE to help them to improve their outreach and procurement to hundreds of new farmers (introducing improved product quality, hygiene, and drying processes) to address this market opportunity. As a first step, analysis of their producer training system was done and a new training framework was jointly developed. This enabled the company to expand outreach of its training (and procurement network) to six times more farmers, totaling over 1,800 farmers. In addition, SFS helped farmers to appreciate vegetables for their own home consumption. During the trainings, producers (90% of which are women) learned to make tasteful dishes using the same local vegetables that SFS was purchasing. This heightened the women's appreciation of the vegetables, helped them to diversify their family's diet, and increased the nutritional intake of undernourished family members.

Through these AFE supported initiatives SFS has improved training efficiency and created an enthusiastic group of trainers who see their efforts resulting in success for the company. With producers now able to work together via outgrower contracts they have the opportunity to access income and food more regularly throughout the year (and often at different times than the staple crop harvest). Drying vegetables is improving their livelihoods in many ways including increased income, improved storage year round, enhanced nutritional value in their diet and boosted immune systems.

"... I am very happy my relationship with this company (Sylva Foods Solutions). You see, previously my income was mainly from the sale of maize. However, with this relationship with Sylva Foods, I am able to have additional regular income from the sale of dried indigenous vegetables. This income will enable me to cover my household expenses on salt, cooking oil, etc..."

-Farmer who sells dried indigenous vegetables to Sylva Foods Solutions

Through the Sylva initiative more than 1800 farmers (90% women) developed improved skills in the production and drying of indigenous vegetables and were able to sell their production to Sylva resulting in a steady supply of supplemental income. Producers also gained knowledge about good nutrition and Sylva was able to professionalize and expand its operations

5. Dunavant

Dunavant Zambia Ltd. is a leading cotton out-grower and ginning company in Zambia since 2001 with operations in Lusaka, Central, Southern and Eastern provinces. The company has a well-established out-grower program with approximately 140,000 farmers planting 185,000 hectares of cotton.

Objective of the Dunavant initiative (implemented with technical/cost share support by AFE)

The objective of the Dunavant initiative was to introduce soya beans as a rotation crop to cotton growers in the Eastern Province. The advantages of this initiative for Dunavant included: a) access to a reliable source of soya beans which they could purchase and market; and b) greater cotton yields (over time) from the farmers they contract with (due to improved soil fertility that results from rotating cotton and soy production). The advantages for Dunavant contract farmers included: a) access to good quality soya seed; b) increased and diversified income from soya bean production; and c) greater cotton yields and income (over time) due to improved soil fertility that results from rotating cotton and soy production.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Dunavant with technical and cost share support from AFE Zambia: 1) development of a TOT curriculum; 2) conducting a TOT for 17 staff members and two lead-farmers; 3) conducting 266 trainings for over 13,000 farmers in soya production; 4) organization of 150 field days for over 7,500 farmers focusing on soya post-harvest handling; and 5) training of 7,142 producers in how to utilize soya beans for household consumption. Based on the success of this pilot initiative Dunavant trained another 16,000 producers in the Eastern Province on soya production beyond those mentioned above. This speaks to their ability (and other LFs) to sustain activities beyond the life of a development program.



Farmers attend Dunavant's training in use of soybeans for household

Dunavant's initiative introduced soya bean production as a rotation crop to over 13,000 farmers providing them with an offseason market and increased cotton yields (and income) due to soil quality improvement. Their initiative also contributed to greater food security by introducing rural men and women to information and practical methods on how to integrate nutritious soya beans into their diets.

Amai Banda is a 62 year old woman from Nyimba District who received soya bean seed from Dunavant. She cultivated the seed on less than 1 ha of land and was able to harvest 40 x 50kg bags of soya beans. Amai sold this back to Dunavant giving her a total revenue of K 5,600,000 (over \$1,000).

She is very proud of her achievement, particularly because this was her first time growing soya beans. She stated that she is very excited to grow the crop again next year and hopes to realize the same or higher results after learning from her past mistakes and further information from the training.

Amake Miriam is a young wife and farmer who has grown soya beans for the past two seasons. Because her farm is in a strategic location, Dunavant specifically chose it to establish demonstration plots that could highlight the importance of crop rotation for small scale farmers. The demo plots have 1 lima (.25 ha) of cotton, maize and soya beans. Dunavant has provided Amake with the relevant inputs for establishing the plots and she will receive the proceeds.

In the previous season she harvested 14 x 50 kg bags of soya beans which she sold to Dunavant and received K1,960,000 (\$380)

6. Mucha Agri-Business

Mucha Agri-Business Ltd is an agribusiness company that focuses on the production and processing of sunflower into cooking oil and sunflower cake. They are based in Chilanga and buy from farmers in central and southern province.

Objective of the Mucha Agri-Business initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to expand the network of producers they source from and improve the technical support they provide to those producers. This in turn would help increase the quality and quantity of the sunflower seed they receive from farmers and also help ensure a regular supply.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Mucha with technical and cost share support from AFE Zambia: 1) assessing all aspects involved in expanding and improving their outgrowing operations and developing specific policies and procedures for those operations; 2) a TOT for Mucha staff to build their capacity to train farmers in sunflower growing (using a well-defined training module that included adult learning methodologies); 3) monitoring the mobilization of farmers for their outgrowing program; 4) training of more than 1,350 sunflower producers; 5) development and printing of 2,000 producers manuals; 6) updating their marketing strategy; 7) carrying out and finalizing a marketing survey to identify the needs of lower income consumers of sunflower oil and buyers of sunflower cake; 8) implementation of four awareness raising activities in Sinda, Nyanje, Zakeyo, Mangani and Eastern Province to attract new producers (using theatrical/drama group); 9) identification of lead farmers / agents in these areas; 10) updating their strategic plan for outgrowing operations, and; 11) guidance on low cost video production.

Through Mucha's initiative more than 1300 producers improved their production and post-harvest handling skills, and the company increased farmer purchases from 28 to 83 tons of sunflower seed. Increased farmer income was used for school fees, bicycles and new livestock. Mucha also expanded its operations to Eastern Province.

7. Sunline Investments

Sunline Investments is a company involved in the processing of groundnuts into peanut butter and other products. They are expanding operations to Chipata.

Objective of Sunline initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to establish a formal outgrowing operation with farmers in the Chipata area – where they would provide technical support and in turn hope to receive better quality groundnuts with decreased levels of aflatoxin – which would enable them to produce products for more upscale local and international markets.

Summary of Initiatives/ Activities Undertaken

AFE Zambia has provided technical and cost share support to Sunline for: 1) assessing all aspects of their proposed outgrowing operations and developing specific policies and procedures

for those operations; 2) preparing their staff to train producers through a TOT, and; 3) developing a producer's manual.

Though delayed, the activities mentioned above were successfully completed.

8. Chanermas Dry Food Enterprise

Chanermas is a small company based in Chongwe and owned by six women. Their business specializes in vegetable and fruit drying, using solar drying technologies (used to produce a more refined product).

Objective of the Chanermas initiative (implemented with technical/cost share support by AFE)
The objective of their initiative was to increase the number of MSMEs (preferably women) capable of supplying them with a high quality and quantity of dried fruit and vegetables, and to increase their market access through improved marketing activities.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Chanermas Dry Food Enterprise with technical and cost share support from AFE Zambia: 1) TOT for five staff members; 2) development of a producers manual; 3) improvement of their packaging material and logo; 4) preparation of a training module to be used by staff in training producers; 5) training of producers (36 female and 1 male) in organic production, drying, hygiene and post harvesting handling; 6) developing strategic plans for their outgrowing and marketing operations; 7) upgrading their financial system and financial reports; 8) identifying new initiatives based on identified gaps and lessons learned; 7) increasing traceability of products at producer level; 8) exposure visit of 20 producers to Kafue Riverside farmer institute, and; 9) development of business plan and update to their strategic plan for outgrowing operations.

Chanermas' initiative resulted in a 150% increase in purchases from outgrowers, improved operations and marketing, and a 65% increase in sales.

9. Glymo Enterprise

Glymo Enterprises was established in 2003 and entered the export market in 2006 through the help of MATEP (a USAID-funded export development project). The company has a team of professionally trained staff that promotes the marketing of grain products to both local and export markets. It operates in the Eastern, Northern, Western and Central Provinces.

Objective of the Glymo Enterprise initiative (implemented with technical/cost share support by AFE)

The objective of Glymo's initiative was to train producers (that supply them with beans, cassava, rice, and groundnuts) in improved production, quality management, and internal control systems. The advantage of this initiative for Glymo included getting better quality beans, cassava, rice and

groundnuts from the producers they source from. The advantage for producers included increased income through improved productivity and post-harvest handling.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Glymo Enterprise with technical and cost share support from AFE Zambia: 1) selection of consultants to assist in preparing and conducting a TOT workshop for their staff; 2) development of a training module for producer trainings; 3) development of a curriculum for the TOT; 4) delivery of TOT for three staff members and ten lead farmers; 5) development and printing of producer manuals, and; 6) training of more than 700 producers in rice, bean and cassava production.

'excellent keep it up', 'we would like to have more training', 'you should continue with such workshops' - Farmers in Lukanga Swamps.

Glymo's initiative resulted in increased production for several hundred farmers.

10. Basa Agro Ltd.

BASA Agro Ltd is an agribusiness company that is operating an outgrowing scheme with contracted small scale farmers in order to procure sunflower seeds which it then processes into cooking oil and cake for stock feed.

Objective of the Basa Agro initiative (implemented with technical/cost share support by AFE)

The objective of Basa Agro's initiative was to develop the production capacity of their contracted farmers through training activities, and improve their packaging and marketing.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Basa Agro with technical and cost share support from AFE Zambia: 1) finalizing their intervention strategy and application; 2) identifying technical resource persons and developing terms of reference; 3) conducting awareness raising and mobilization of farmers; 4) development of a training module (including session plans) to guide trainers in the training of producers; 5) development and printing of a producer's manual for sunflower production; 6) conducting a TOT workshop for two Basa Agro staff and 14 lead farmers, and; 7) training of 20 sunflower producers.



Basa Agro TOT for staff and lead farmers

Basa Agro's initiative resulted in improved company operations, marketing efforts, and a 190% increase in purchases from 125 contract farmers who increased their income.

11. Kansefu

Kansefu Agriculture Company is an agricultural company that implements an outgrowing scheme in rural Ndola for procuring soya beans and sunflower. Kansefu's primary objective is to procure large quantities of these products from smallholder farmers which it then markets (at a competitive price) to major buyers in Lusaka.

Objective of the Kansefu initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to reduce problems with their outgrowing operations by improving their relationships with farmers by providing better support to them.

Summary of Initiatives/ Activities Undertaken

AFE Zambia has provided technical and cost share support to Kansefu for: 1) finalizing their intervention strategy and application, and; 2) carrying out a strategic planning exercise to improve the planning, organization and management of their outgrowing operations. No further activities were conducted after the strategic planning exercise and the company was able to continue on its own.

Kansefu's initiatives helped them professionalize their operations and outgrowing scheme.

12. Standa Enterprises

Standa Enterprises is an agribusiness company that produces/procures a variety of agricultural based products (including groundnuts, cassava, beans, popcorn, and rice) which it packages and sells in Standa branded packets. They sell their products to the chain stores of Shoprite, Pick n Pay and Spar. Outside of Lusaka they also distribute their products through Kasembo Transporters.

Objective of the Standa Enterprise initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to build capacity of producers and bulking agents to improve the quality and post-harvest handling of the groundnuts, rice, beans and grains that they produce and sell to Standa.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Standa with technical and cost share support from AFE Zambia: 1) fine tuning their application and intervention strategy; 2) TOT workshop for company staff; 3) training of 17 bulking agents from Chipata, Solwezi and Kaoma; 4) training of 47 groundnuts producers in Chipata; 5) development of a strategic plan for their outgrowing operation, and; 6) guidance on low cost video production (this activity took place late in the program and results are unclear).

Standa's initiative to train their personnel and bulking agents improved their ability to serve producers in a new outgrowing system and created immediate benefits for over 47 groundnut producers.

13. Dytech

Dytech Limited is a honey export company that has both backward and forward linkages in the Zambian honey sector. Backward linkages are with over 500 beekeepers (located in the Central, Eastern, Western and Northwestern Provinces of Zambia) and their forward linkages are mainly with the European export market. They are focusing on the procurement and sale of bulk and retail honey and are diversifying to comb honey.

Objective of the Dytech initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to increase production capacity through the training of beekeepers in Mumbwa district.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Dytech with technical and cost share support from AFE Zambia: 1) finalizing their intervention strategy and application; 2) identifying technical resource persons and developing terms of reference; 3) mobilizing beekeepers for training activities; 4) development of training materials and session plans for the training of beekeepers; 5) preparation for beekeeper training; 6) preparation of producer manuals; 7) guidance on low cost video production, and; 8) training of more than 440 beekeepers.

“We want to thank Dytech for putting on these trainings. We as farmers always have a problem selling our crops because we are in the rural area. But now with beekeeping we can make more money also because Dytech will come and buy directly from us” Dytech Beekeeper, Mumbwa

Dytech’s initiatives introduced double chamber beehives and quality management systems to 440 farmers resulting in greater yields, 60 metric tons of increased honey purchases and greater farmer income. With greater volume Dytech can now sell to larger markets.

14. Zelo Foods

Zelo Foods is a processing company based in Kitwe that works with ground nut producers. Their primary objective is to procure large quantities of groundnuts from outgrowers which they then process into Ntwilo (pounded groundnuts) and sell to buyers and retailers in the Copperbelt, Lusaka and Congo.

Objective of the Zelo Foods initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to increase the quality and quantity of groundnuts they purchase, reduce the levels of aflatoxin, and establish an outgrowing operation that would improve the relations between the producers and company and increase the markets for both value chain actors.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Zelo Foods with technical and cost share support from AFE Zambia: 1) finalizing their intervention strategy and application; 2) identifying

technical resource persons; 3) mobilizing producers; 4) development of training session plans; 5) development and completion of TOT workshop; 6) development of a groundnut producer manual; 7) preparation of training activities for producers, and; 8) training in groundnut production for over 230 farmers.

Zelo Foods' initiative to train 230 of its outgrowers in improved groundnut production and post-harvest handling reduced the aflatoxin levels in the purchased groundnuts increasing sales for both producers and the company.

15. Miombo Forestry Products

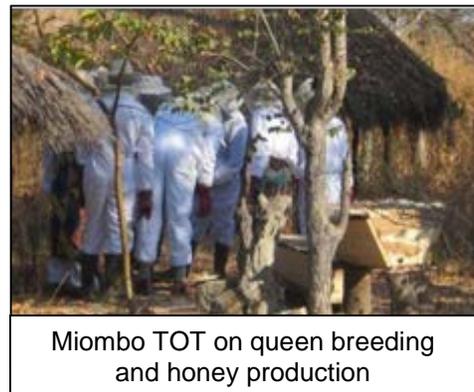
Miombo Forest Products Limited works in the edible foods production and supply industry and focuses on the extraction, processing and marketing of honey and bee products (including propolis and bees wax). They also sell beekeeping equipment.

Objective of the Miombo Forestry Products initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to: 1) build the capacity of their staff and extension agents and; 2) improve the quality and diversification of bee products they procure through improving beekeepers' knowledge in queen breeding, beehive construction and combed honey harvesting.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Miombo Forestry Products with technical and cost share support from AFE Zambia: 1) finalization of their intervention strategy and application; 2) development of training session plans; 3) a TOT for 11 staff and lead beekeepers; 4) development of training materials and beekeeper information handouts; 5) preparations for producer trainings; 6) mobilization of beekeepers, and; 7) training of 40 beekeepers.



Miombo's initiative built the capacity of their staff to support beekeepers and resulted in the training of over 40 beekeepers in improved production techniques, diversification of products and greater income.

16. Yambeeji

Yambeeji is a company based in Zambezi that buys rice and honey from producers. They process the raw materials and market the finished products in the Zambian and DRC markets.

Objective of Yambeeji initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to reduce problems with their outgrowing operations and improve the support they provide and their relationships with farmers.

Summary of Initiatives/ Activities Undertaken

AFE Zambia has provided technical support to Yambeeji for the development of policies and procedures for outgrowing operations; and the development of a business plan.

Yambeeji benefited from the detailed analysis of their outgrowing operations but no further activities were undertaken due to the long distance of the company's operations and the projected negative cost benefit ratio.

17. Savanna Streams

Savanna Streams is a growing agri-business involved in fish growing and processing. The company was established in 2007.

Objective of the Savanna Streams initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to promote Guar bean farming with fish farmers in Chirundu, Lusitu, Chongwe and Luangwa. The guar beans would then be used to produce fish feed which would be fed to tilapia fingerlings. The farmers would then be able to increase their fingerling production with a cheaper source of fish feed and sell more to Savanna Streams.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Savanna Streams with technical and cost share support from AFE Zambia: 1) finalization of their intervention strategy and application; 2) development of training session plans; 3) development of training materials and information handouts; 4) preparations for producer trainings, and; 5) training of 175 fish farmers in guar production.

Savanna Stream's initiative (begun near the end of AFE Zambia's program) increased the skills and ability of 175 fish farmers to produce guar as a source of fish feed which resulted both in increased income from the sale of guar and improved yields for their fish production.

18. Natural Herbal Health

Natural Herbal Health is a Zambian company headquartered in Lusaka and registered in 1997. The company promotes good health through the promotion of natural products to give people a more holistic approach to health and wellness.

Objective of Natural Herbal Health initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was increase production of their health products by training farmers to produce natural soaps and lotions using oils extracted from herbs.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Natural Herbal Health with technical and cost share support from AFE Zambia: 1) finalization of their intervention strategy and application; 2) development of training session plans; 3) development of training materials and information handouts; 4) preparation for TOT and producer trainings; 5) training of 20 trainers, and; 6) training of 80 farmers in postharvest and value addition of herbs.

“These trainings are important for helping farmers become more business minded. Instead of growing just maize they also help us diversify and have bigger markets”

- Farmer trained by Natural Herbal Health

Begun near the end of the AFE program, Natural Herbal Health’s initiative resulted in improved indigenous plant/herb production and processing skills for 80 farmers and the capacity of the company to replicate the training for many more producers.

3.2 Agricultural Input Supply Companies

19. Kamano Seed Company

Kamano Seed Company is an input supply company incorporated in 2004 to produce, multiply and distribute agricultural seeds (maize, cowpeas, soya, millet, potatoes, etc.). From inception the company has been developing and selling quality certified seed (both hybrid and open pollinated varieties) to smallholder farmers throughout Zambia – especially maize varieties including white, yellow and more recently, orange.

Objective of the Kamano initiative (implemented with technical/cost share support by AFE)

The objective of the Kamano initiative was to demonstrate improved seed varieties (white maize hybrid, open pollinated maize, orange maize, cow pea and soya bean) and production practices to farmers through demonstration plots and field days.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Kamano with technical and cost share support from AFE Zambia: 1) mobilization of producers and site identification; 2) preparation of farmer demonstration plots; 3) preparation of field day materials; 4) selection of demonstration plot monitoring indicators; 5) data gathering from demonstration plots; 6) organization and delivery of field days for producers; 7) updating of strategic plan for outgrowing operations, and; 8) 18 farm based trainings given to over 200 farmers.

Kamano’s initiative increased the capacity of over 200 outgrowers to produce higher quality seed varieties and allowed the company to introduce those new and improved varieties to several thousand farmers in new markets.

20. ATS Agrochemicals

ATS is an input supply company specialized in the distribution of agrochemicals to the farming community in Zambia. ATS's primary objective is to "provide unequalled quality product and technical support to the farming fraternity spread throughout the country".

Objective of the ATS initiative (implemented with technical/cost share support by AFE)

The objective of the ATS initiative was to expose and train stockists and producers (MSMEs) in improved production practices through the safe handling and appropriate use of agrochemicals, especially herbicides.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by ATS with technical and cost share support from AFE Zambia: 1) awareness raising activities with producers; 2) development and printing of a producer's manual and pamphlets that present methods for safe handling and appropriate use of agrochemicals; 3) delivery of four trainings for more than 110 stockists and farmers; 4) preparation and monitoring of six demonstration plots (including data collection), and; 5) organization of three field days for 230 farmers on the latest techniques for appropriate usage of agrochemicals and related safety aspects.

"...we knew very little about how herbicides work and how to use them effectively. This training is surely an eye opener..." Naomi Musonda



ATS Field day for farmers in Mukonchi

ATS's initiative to introduce improved production practices through safe handling and appropriate use of agrochemicals increased the awareness and skills of over 300 lead-farmers and stockists who in turn were able to share that knowledge with several thousand farmers.

21. Minelands

Minelands Agricultural Development Services Limited is an agribusiness company providing products and services to small and medium scale farmers in the agricultural sector in Zambia (with the aim of helping them become viable, growing, and profit-making businesses). These products include seed, agricultural equipment, and herbicides.

Objective of the Minelands initiative (implemented with technical/cost share support by AFE)

The objective of Mineland's initiative was to train selected producers and stockists to become: 1) distribution and technical support agents for the company's products, and; 2) "Spray Service Providers" to their fellow farmers in the rural localities. This would build their capacity to: 1) advise farmers on improved production practices through the safe handling and appropriate use of agrochemicals, and 2) market their products and services to farmers.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Minelands with technical and cost share support from AFE Zambia: 1) finalizing their intervention strategy and application for their proposed initiatives; 2) preparing sessions and conducting training for 109 farmers who became spraying agents for Minelands; 3) preparation and monitoring of five demonstration plots and five field days for 310 farmers; 4) monitoring and collecting data from demonstration plots; 5) preparing seed growers training modules; 6) training of 17 seed growers in soya bean seed production, and; 7) field day for 29 farmers.

“... The training with Minelands was very useful, and has enabled me to grow soya beans seed this season. I am planning to use and apply this gained knowledge to grow my own soya bean seed. I used to think that growing seed was a difficult and complicated process but the training with Minelands has opened my eyes that even an ordinary farmer like me can do it.”

– A farmer trained by Minelands

Minelands’ initiative introduced improved chemical sprayers that helped farmers reduce spraying time per hectare and decrease safety risks. Within weeks after the farmer trainings (and without any additional marketing), the company sold over US\$40,000 in new sprayers.

22. Plant Agrichem Services (PAS)

Plant Agrichem Services is an agribusiness company specializing in the sale of agricultural inputs to the farming community in Zambia. They specialize in the importation and distribution of agro inputs to all parts of the country and also offer fumigation services. They are in the process of expanding their markets.

Objective of the Plant Agrichem Services initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to build the capacity of their lead farmers and rural agents to advise farmers on improved production practices through the safe handling and appropriate use of agrochemicals and to market their products and services to farmers.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Plant Agrichem Services with technical and cost share support from AFE Zambia: 1) finalizing their intervention strategy and application for their proposed initiatives; 2) identifying technical resource persons and developing terms of reference; 3) development and printing of handbooks for correct use of fertilizers, herbicides, and other agricultural inputs; 4) preparation of training session plans and training for lead farmers/rural agents, and; 5) conducting training for 73 lead farmers/rural agents.

Through the establishment of a rural agent distribution network an estimated 1000 farmers now have access to improved quality farm inputs and important technical advice from PAS’s rural agents. At the same time, the company has seen a 10-15% increase in sales.

23. Farmerslink

Farmerslink is an agribusiness company that produces seeds and sells agricultural inputs (mainly seed) and trades in pulses.

Objective of Farmerslink initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to build the capacity of new seed growers (that they would purchase from) and to expand their direct sales of seed to farmers, so that it becomes the major part of their business. This in turn would result in improved access to quality and affordable open pollinated seed for hundreds of farmers.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Farmerslink with technical and cost share support from AFE Zambia: 1) developing policies and procedures for outgrowing operations; 2) development of a business plan; 3) training of 266 farmers; 4) development and printing of 1,000 seed producer manuals; 5) development of a contract growing agreement to be used with producers; 6) development and launch of a company website; 7) development, refinement and printing of brochures; 8) design and erection of billboards to improve marketing; 9) development of a strategic marketing plan; 10) conducting a radio interview to create awareness among farmers about the company's activities; and 11) developing and printing of product posters.



Farmerslink staff checking seed brought by outgrowers

Farmerslink's initiative resulted in the upgrading of, and increased purchases from over 200 of the company's contracted seed-outgrowers which in turn allowed to company to increase the sales of high quality seed to farmers by over 300%.

3.3 **Tourism Value Chain**

24. Floating Skies

Floating Skies is a travel agency/tour operator based in Livingstone. Their products and services include tourism destination management, historical and cultural tours, museum tours, village tours, and safari trips in and around Livingstone.

Objective of Floating Skies initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to increase the number and capacity of "tourism entrepreneurs" in Musokotwane and Simoonga villages (close to Livingstone) that can provide services and entertainment to tourists that visit those villages. This will build the competitiveness of Floating Skies by creating innovative rural tourism products that they can offer to clients. It will also result in increased income and employment for MSMEs in the villages and serve as a model for others to emulate.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Floating Skies with technical and cost share support from AFE Zambia: 1) training for 68 village-based MSMEs (in conducting home-stay visits, village tours, dance performances, and cooking for tourists); 2) development of manuals for village-based cooking for tourists, village tour-guiding (for village guides), and vegetable/poultry producers; 3) development of posters on hygiene for cooks; 4) exposure visits for dancers to an established cultural performance in Livingstone; 5) exposure visits for cooks to restaurants in Livingstone; 6) development of a website to promote the village tours; 7) development and printing of tour information to the villages, and; 8) an in-depth review of lessons learned.

*“We want this business that has started to continue and we want it to progress because we have seen its benefits and development”
– Village-based cook*

Floating Skies’ initiative built the capacity of over 65 village-based entrepreneurs to improve their tourism products resulting in increased income for these entrepreneurs and alternative destinations for the company’s tourist clients.

25. Kaingu Safari Lodge

Kaingu Safari Lodge is a lodge based in the Kafue National Park that took the lead in organizing a “cross company” activity among several other lodges in Kafue National Park.

Objective of the Kaingu Safari Lodge initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to increase the number of quality MSME tour guides in and around Kafue National Park (KNP). This in turn would enable the lodges to offer a greater number and better variety of local tours to their clients increasing overall tourism and economic impact in the area.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Kaingu Safari Lodge (and the associated group of lodges they coordinated) with technical and cost share support from AFE Zambia: 1) engaging the expertise of a South African master guide trainer; 2) development of a training curriculum for guides in KNP; 3) development of a “log book” and “guiding manual” for guides, and; 4) conducting a TOT for 11 KNP guides.

Kaingu Safari Lodge’s initiative resulted in improved services and incomes for tourist guides working in Kafue National Park and improved quality of tourism services for guests of the participating Lodges.

26. Arts Cafe

The Arts Café is a local art gallery, restaurant and entertainment site in Livingstone. The Café wanted to improve and expand on its entertainment offerings to satisfy growing demand from tourists and create economic impact for the artists that perform on their premises.

Objective of the Arts Café initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to improve the marketability and income of local artistic performers and performances that take place at the Arts Café and improve the Arts Café's recognition as a prominent cultural tourism venue.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by the Arts Café with technical and cost share support from AFE Zambia:

1) developing and printing posters and flyers for promotion of cultural activities; 2) conducting skills workshops for 82 MSMEs to assist them to improve their performances; 3) conducting training in hospitality and cultural awareness for 78 artisans/performers; 4) website design; 5) leading an exposure visit to Lusaka for a group of musicians; and 6) reviewing lessons learned.



Arts Café training to hone skills of theater/dance performers

Arts Café's initiative to produce a marketing video and improve the skills and cultural awareness of local artists performing at the café resulted in improved performances, income for performers and marketing outreach through their website.

3.4 Craft and Craft-Export Value Chains

27. Hipego

Hipego specializes in the development, production and marketing of exclusive handmade baskets and other crafts made by Zambians. The exclusivity is in the design and the raw material which is used by the artisans. All products are handmade and sourced from local producers - Hipego does not produce the products themselves.

Objective of the Hipego initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to: 1) improve and expand linkages with producers in the Central, Southern and Western province; 2) provide training to those producers; 3) expand their market outside Zambia; 4) develop improved homogeneity and quality of baskets, 5) train master weavers on improved basket production techniques and the use of frame molds, and; 6) train purse weavers in the central province to upgrade their quality and homogeneity.

Summary of Initiatives/ Activities Undertaken with Hipego

The following activities were conducted by Hipego with technical and cost share support from AFE Zambia: 1) development of molds to improve homogeneity of baskets; 2) TOT for six master weavers (who subsequently trained more than 200 weavers); 3) development and printing of 250 producer manuals; 4) training of 15 purse weavers; 5) review of lessons learned; 7) monitoring the impact of the training and manual on the women producers (both activities were very much appreciated by the women), and; 8) preparations for and participation in the *Dallas Market Center Total Home & Gift Market* (trade show) including identifying objectives of participating in the show, stand behavior, and conducting follow-up activities with interested buyers.



Master Weaver using mold to create homogenous sized basket

Hipego's initiatives introduced new designs for the international market, improved production skills and increased sales for over 300 producers. Their participation in the Texas trade show generated new orders and purchases from producers. They appreciated AFE's approach of supporting their company's initiatives rather than funding activities based on project ideas.

28. African Ceramics

African Ceramics is a pottery/ceramic production company that produced power line insulators for ZESCO (Zambian utility company) and artistic pottery for the local market. They subcontracted with producers in the urban and peri-urban areas of Lusaka, Kafue, Kabwe, Lwanshya, Mumbwa, and Palabana.

Objective of African Ceramics initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to build the capacity of producers they subcontract with to produce high quality products and to improve diversification of their product lines.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by African Ceramics with technical and cost share support from AFE Zambia: 1) conducting a training of 20 ceramic producers; 2) development of a producer manual and printing of 50 producer manuals; 3) conducting a field visit to the National Institute for Scientific and Industrial Research (NISIR) for the trained producers; 4) researching new requirements for insulators and Bureau of Standards specifications, and; 5) visiting producers to assess the impact of the activities.

African Ceramics' initiative to introduce its producers to new designs, modern ceramics technologies and information on insulator requirements enabled both the producers and the company to diversify their income.

29. Just Africa

Just Africa is a small lodge situated in Mfuwe town. Just Africa has three core areas of operation: accommodation, crafts and village tours. The company receives international and national tourists and collaborates with other lodges in the area.

Objective of the Just Africa initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to develop the capacity of village-based entrepreneurs including tour-guides, cooks, a dance troupe and jewelry producers to provide improved products and services to Just Africa tourists.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Just Africa with technical and cost share support from AFE Zambia: 1) finalizing the strategy for their initiatives; 2) identifying technical resource persons and developing terms of reference; 3) developing and printing producer manuals for village-based tour guiding and jewelry making; 4) preparing and delivering a three-day training program for 60 village tour guides, dancers, cooks, and jewelry makers, and; 5) designing and launching of website, improved brochures and labels.

Just Africa's initiative helped village-based entrepreneurs develop a new source of income independent from seasonal crop production. The company is also earning extra revenue through the newly developed village-based tourism activities.

30. Nangaunozye Fashions

Nangaunozye Fashions was incorporated in Zambia in 1976 and has been in the African attire and hand-made crafts business since inception. The crafts include carved wooden statuettes and ornaments sourced locally and from within the region. 60% of its products are exported and the remaining 40% are sold locally.

Objective of the Nangaunozye Fashion initiative (implemented with technical/cost share support by AFE)

The objective of the Nangaunozye initiative was to improve the quality of wood and jewelry crafts through: 1) the training of master carvers (that supply Nangaunozye with carved wooden products) in improved production, quality and carving techniques, and; 2) training of jewelry makers in improved production techniques,



Part of the jewelry artisan training included an exposure visit to a gemstone polishing and sorting company

identification of stones and quality. These artisans would then train the producers that work for them. The advantage of this initiative for Nangaunozye included being able to obtain high quality crafts from Zambia to export instead of buying these products from Malawi or elsewhere. The advantage for producers included increased income through improved productivity and higher quality products.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Nangaunozye Fashion with technical and cost share support from AFE Zambia: 1) development of a TOT curriculum; 2) development and printing of a producer's manual; 3) delivery of a TOT for 10 master carvers to prepare them to train the producers that work for them in improved production, quality and carving techniques; 4) conducting visits to producers and master carvers to get feedback on the impact of the training and the gaps they still encounter; 5) identification of lessons learned, and; 6) jewelry artisan training for 14 women.

Nangaunozye Fashions' initiative to utilize master carvers to train less skilled carvers, and its imitative to introduce producers to new gemstone jewelry products improved both the producers and the companies' overall production and income.

31. Miapen

Miapen is a crafts company based in Lusaka that works with wild harvest collectors of "monkey oranges" (the round fruit from the monkey orange tree) and artisans that make craft products out of the dried fruit. Miapen's primary objective is to procure large quantities of these products from wild harvests and create craft products which it can then market to consumers in Lusaka and Sweden.

Objective of the Miapen initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to expand their activities and improve market access for the wild harvesters and crafts producers.

Summary of Initiatives/ Activities Undertaken

AFE Zambia provided technical support to Miapen to develop a business plan and procurement strategy.

Miapen's initiative to develop a new business and procurement strategy has resulted in focused expansion of production and sales.

32. Africa Joy

African Joy Ltd. is a crafts company based in Lusaka that specializes in the production of soft furnishings, garments and handicrafts. African Joy's operations engage widows and orphans as a way of giving back to the community and helping those less privileged by teaching them skills like the delicate quilting and crocheting work for which African Joy is known.

Objective of the Africa Joy initiative (implemented with technical/cost share support by AFE)

The objective of their initiative was to improve production capacity through training of craft jewelry makers, develop and strengthen relationships with the producers and improve their jewelry making skills.. This would result in increased quantity of jewelry production and better quality jewelry pieces.

Summary of Initiatives/ Activities Undertaken

The following activities were conducted by Africa Joy with technical and cost share support from AFE Zambia: 1) finalization of their intervention strategy and application; 2) development of a jewelry handbook for producers; 3) preparation of session plans for producer training, and; 4) delivery and monitoring of the training.



Africa Joy training of jewelry producers

Africa Joy's initiative to introduce international jewelry production standards to producers has increased sales and income of both producers and the company.

3.5 Cross-Company Support Activities

In addition to collaborating and supporting the initiatives of individual companies, the AFE program also supported a variety of “cross-company” activities. These activities brought LFs together (that were conducting similar activities) for capacity building and lateral learning events. Several of these activities are presented below.

Low cost video training - AFE sponsored a three-day intensive training for LFs to introduce skills and techniques for producing low-cost videos that can be used for farmer training and extension. This was followed by meetings to discuss how each company could operationalize the lessons and produce their own videos.

Rural Agent Network Workshop - AFE held a half-day workshop with input supply companies to discuss the findings of a strategic learning initiative on the use of rural agent networks to promote sales in rural areas. Discussion points included variations of the rural agent network model used by different input supply companies and lessons learned.

Identification of Best Practices in Producer Training Programs - AFE conducted a lateral learning exercise among agribusiness LFs it was collaborating with to assess their experiences in organizing and conducting producer (farmer) trainings. This resulted in the identification of best practices that they could then incorporate into future training activities. The activity contributed to the LFs’ capacity to train and support the producers they transact with – which in turn contributes to greater income and benefits for the producers and their households.

To prepare for this activity, AFE carried out interviews with 10 LFs and 48 producers to identify lessons learned and best practices. The results of these interviews were then consolidated and presented for discussion during a two-day workshop that brought together 21 LF senior staff and

trainers. During the workshop the participants learned from one another and came to consensus on a variety of improvements that they can make to their training programs for producers. Some of these included making materials and manuals easier to read with more pictures and putting more emphasis on practical examples and demonstrations.

Following this workshop, and at the request of the LF participants, the AFE program organized additional sessions on specific producer training topics that were of particular interest to the LFs. These included tools for carrying out thorough planning of producer training activities (such as detailed session plans), how to identify and develop learning objectives, presentation methods, and the organization of small group discussion and presentations.

Other Cross-Company Learning Events – The AFE program also held cross-company meetings with collaborating LFs to: 1) share the initiatives of other LFs; 2) discuss LF internal control systems for tracking activities and transactions with producers; 3) review strategies for improved budgeting and reporting to AFE; 4) discuss the importance of business/strategic planning and how to start working on a plan, and; 5) learn from an external auditor on the importance, role and benefits of external auditing.

IV. Capacity Building of Local Development Practitioners in Value Chain / Market Development Methodologies

AFE Zambia organized a series of training and informational sessions designed to share information among local donors and development practitioners and build their capacity in the area of market development and value chain approaches. These are described below.

4.1 Value Chain Training Workshops

AFE conducted a quarterly three-day workshop entitled “Value Chain Program Design: Promoting Market-Based Solutions for MSMEs” for more than 200 local development practitioners. Through these workshops practitioners gained skills to: 1) rethink the strategies of their economic strengthening programs; 2) create more sustainable activities without distortion of markets and; 3) strengthen the linkages in the value chains they work with leaving behind improved and sustainable relationships between producers and other market actors. A new training workshop entitled “How to Work with Lead Firms” was given as a follow up to the Value Chain training for 20 additional practitioners.



Participants at Value Chain Training Workshop, Dec 2012

“.....An excellent workshop. Very practical and hands-on. Very useful, resourceful and well organized with a high level of professionalism exhibited by AFE. The training will add value to our work. Very educative, beneficial and relevant. This will make us implement programs smoothly with less challenge in planning for any project. It helps you identify your role as a facilitator and clearly understand how to tackle problems. Very useful for all stages of program cycle management, it provides practical solutions even to on-going projects;”

Summary of quotes from participants of the value chain program design trainings

4.2 Organization of Market Development Working Groups

The AFE program initiated three market development working groups to discuss topics of mutual interest among local development organizations and practitioners. These groups met several times and in some cases invited guest speakers to their meetings. The three working groups were:

- Working group 1: Agricultural input supply and the effects of market distortion
- Working group 2: How government can facilitate private sector development
- Working group 3: How DOs can work successfully with Lead Firms (LF)

Due to the heavy workload of the participants participation was limited to occasional meetings – but the exchange of information and experience among colleagues was greatly appreciated.

4.3 Guest Speaker Events

AFE organized two guest speaker events during which knowledgeable and experienced individuals made presentations on topics of mutual interest among local development practitioners. The topics of these guest speaker events included:

- **“How do Lead Firms Invest in their Value Chains?”** Guest speakers in this event included Parmalat and Freshpikt, both agribusiness companies. Topics included how to select farmers to source from, farmer training and extension, determining prices, and the role that development organizations can play.
- **“Value Chain Finance”** Guest speakers included Zambian Breweries, Zambian National Commercial Bank (ZANACO) and Zambia Agricultural Commodities Exchange (ZAMACE). Topics included incentives for financial institutions and agribusiness companies to offer value chain finance, how they structure these financial services, requirements and criteria, success stories, and challenges to be overcome.

4.4 Inclusive Business Conference

In March 2013, AFE organized a one-day conference to highlight the successful initiatives undertaken by LFs that had participated in the AFE project. This conference was entitled “Inclusive Businesses in Zambia: Successes, Challenges, and Lessons Learned.” During the event presentations were made by ten of the Lead Firms AFE Zambia collaborated with during the program. Presenting firms included Mucha, Dytech, Dunavant, Lumuno, Minelands,

Parmalat, Plant Agrichem Services, Sylva Foods, Hipego, and Just Africa. These firms presented the initiatives that they undertook (with AFE Zambia's technical and financial support) to expand commercial relationships with small-scale producers. Special focus was put on their successes, challenges and lessons learned.

The presentations showed the wide variety of initiatives that “Inclusive Businesses” (the LFs in this case) can carry out to build their competitiveness and improve their capacity to source from or provide needed products and services to small-scale producers and entrepreneurs. Examples of initiatives presented included developing or adapting agricultural inputs for low income producers, carrying out procurement with small-scale producers, conducting training and promoting technologies with producers and suppliers, and improving access to markets. The presenters were divided into three panels. After each panel presented, the presenters



responded to questions from the audience. A total of 92 participants attended the event, including representatives of other lead firms with whom AFE Zambia had collaborated with and several donors and development programs. The event was particularly useful to development practitioners wishing to pursue best practices in collaborating with businesses to achieve sustainable impact for small-scale producers.

A 30-minute video was also developed and presented at the conference entitled “Action for Enterprise - Working with Inclusive Businesses in Zambia”. This video showed a series of interviews with Zambian inclusive business representatives during which they described the initiatives they undertook with AFE support. All of the participating companies expressed appreciation for AFE's approach of supporting company initiatives and giving the businesses ownership of the process. They stated that this increased the sustainability of the initiative's impact, and the likelihood of greater success. The video is available in the highlights page on AFE's website (www.actionforenterprise.org).

V. Administration and Management

A variety of administrative and management activities took place during the program. These included:

- Initiation of the office accounting systems in conformity with government regulations (e.g. registration with Patents and Companies Registration Agency [PACRA], Zambia Revenue Authority [ZRA] and the National Pension Scheme Authority [NAPSA])

- Development of office procedures (e.g. time sheets, personnel manual, hire process, etc.)
- Team meetings held on a weekly basis to learn, discuss, plan, and build team capacity
- Semiannual data collection and monitoring of LFs to collect information on program indicators and impact
- Regular preparation of reports requested by USAID (financial reports, quarterly reports, indicator reports, etc.)
- Development of a Performance Management Plan and Environmental Mitigation and Monitoring Plan (EMMP)
- Development and implementation of internal administrative procedures
- Organization of field visits for USAID visitors, personnel and other partners.

VI. Monitoring and Reporting

AFE Zambia employed a rigorous system for collecting data from the LFs it worked with and then incorporating that data into reports submitted to USAID. Indicator results showed that the AFE program reached its life of project targets in the second year of implementation and largely surpassed initial projections by the end of the program.

6.1 Program Monitoring System

The AFE Zambia monitoring system was based on collecting data and information from the LFs that the project works with (and had signed MOUs with). This information was then used to determine results with targeted producers (that the LFs transact with). AFE's results indicators were developed to feed into the results indicators of USAID Zambia, which changed several times during the life of the project. The monitoring system used was based on the following steps:

- Step 1: Review and definition of project indicators
- Step 2: Discuss project indicators with LF
- Step 3: Sign Memorandum of Understanding with LF
- Step 4: Conduct baseline data collection with LF
- Step 5: Baseline data entry
- Step 6: Semi-annual data collection from all LFs
- Step 7: Semi-annual data consolidation and entry (information from all LFs)
- Step 8: Reporting

6.2 Lead Firm Technical Reports

MOU agreements with LFs included a requirement for collaborating LFs to submit regular status reports to the AFE Zambia team. Those reports included updates on the progress of LF initiatives as defined in their MOUs and addendums and, if a financial support component was involved, financial information on expenditures. To make this easier for the LFs, AFE provided them with a reporting template and worked one-on-one with many LFs to support them in preparing complete and detailed reports. An example of the reporting form can be found in Appendix 3. The information received from the LF reports was then compiled and submitted to USAID in quarterly reports.

6.3 Program Indicators and Results

The program indicators required by USAID Zambia changed several times during the life of the program to adjust to changes in USAID Zambia's FTF indicators. A table relating the program indicators to USAID's FTF indicators can be found in Appendix 4. The final indicators and

results of the AFE program are presented below.

USAID INDICATOR (DO2 Program Elements & Indicators)	Life of project	
	Target	Actual
IR 1: Smallholder agricultural productivity increased		
Number of rural households benefiting directly from USG assistance	4,000	23,815
IR 1.2: Increased application of improved technologies		
Number of farmers or others who have applied new technologies or management practices as a result of USG assistance.	4,000	24,191 (30% female)
Number of food security private enterprises (for profit), receiving USG assistance	6	32
Number of private enterprises (for profit), that applied new technologies or management practices as a result of USG assistance	6	32
Number of individuals who have received USG supported short-term agricultural sector productivity or food security training.	4,000	25,448 (30% female)
IR2: Markets and Trade Expanded		
Value of incremental sales (collected at farm level) attributed to FTF Implementation		\$1,205,194
Number of MSMEs, including farmers, receiving business development services from USG assisted sources	4,000	26,797 (31% female)
IR2.1: Increased Private Sector Investment in Agriculture		
Value of new private sector investment in agricultural sector or food chain leveraged by FTF implementation.		\$1,100,000
Number of public-private partnerships formed as a result of FTF assistance.	6	32
IR4.4: Stakeholder adopting improved technologies as a result of USG assistance.		
Number of people adopting technologies and methodologies developed as a result of USG assistance.	4,000	24,191 (30% female)
Program Support/Program Design and Learning Indicators		
Number of baseline or feasibility studies	6	32
Number of monitoring plans	6	6
Project Only Indicators		
Number of firms providing improved/expanded services to producers	6	32
Number of MSME producers receiving improved support from companies they buy from/sell to	4,000	26,797
Number of development practitioners trained in improved value chain / market development facilitation processes	100	209

VII. Key Learning

This section presents some of key learning that took place during the life of the project.

1. The companies AFE worked with in Zambia indicated that at the start of collaboration they had difficulty understanding the needs of the producers they purchased from or sold to. As the program progressed, however, they better understood these needs and how they could lead activities to address them. Developing this understanding promoted LF ownership and sustainability.
2. LFs used different approaches to train producers, extension agents, and producers in their supply chain or distribution channel. Investment in the LFs' training capacity empowered them and improved their relationships with producers.
3. Continuous engagement with LFs in the development and implementation of their initiatives is important. It may take numerous cycles of collaboration before improved practices are fully integrated into the practices of a LF. LFs may revert back to more conventional methods of operation if premature assumptions are made about their adoption of new approaches.
4. It is important for projects to stay out of commercial, intermediary, or negotiation roles in the value chain and not negotiate with LFs on behalf of producers. It is important to allow LFs and producers to work out most appropriate structures for buying/selling without imposing preconceived organizational structures.
5. While project activities to support LF buyers to increase or improve their producers' production and productivity are necessary, they should be complemented by efforts to expand the LFs' access to new markets (and thus generate new sales) so that they can then purchase more from producers. Projects can do this by supporting LFs to diversify their products, create linkages with new buyers, participate in trade shows, etc. In Zambia, AFE supported one LF (that was only selling cooking oil in bulk) to develop smaller packages to market directly to households. This improved their sales and ability to procure more sunflower from their suppliers.
6. Although a project can encourage LFs to explore procuring products from specific target areas, they should be careful to ensure that such areas are conducive to the LFs long-term business operations and strategies. A development organization promoting value chain development can target specific beneficiary groups but cannot dictate to LFs that all of their initiatives must exclusively benefit those beneficiaries.
7. As LFs operate within cultural boundaries, it is important that they take the local culture into consideration. For example, activities that require women or men to do things they are not familiar with can cause problems. One company working with AFE Zambia wanted to integrate more women into their honey production activities but according to the culture women do not climb trees, and the protection clothing for harvesting was trousers. After facilitating discussions between the company and producers, the solution was found that women could wear a tie-around skirt over the protective clothing and use "top-bar" beehives to avoid climbing trees.

8. LF training initiatives that target remote vulnerable communities must factor in the logistical and technical challenges of procuring from these areas, including additional costs. ICT applications can help make those logistics simpler and less costly. For example, with the improvement of communication through mobile networks, companies working with AFE Zambia found it easier and cheaper to communicate their collection requirements (e.g. quantities, quality, collection points and times) to the farmers.
9. It is important for LFs to carry out a comprehensive site selection exercise when choosing new production areas. The exercise should include all the factors that can affect successful production and procurement. This will help ensure that LF investments in new producer trainings (for producers in those areas) are worthwhile and that long-term relationships with producers can be established. For example, during USAID's programmatic shift towards the Eastern Province (EP), not every company that AFE collaborated with had operations in the EP or was able to start operating there due to financial and personnel limitations as well as cost benefit ratios of long distance transport and infrastructure.
10. Challenges are rarely unique to one company, and so encouraging cross-company communication (lateral learning) can be a simple and cost effective way to facilitate solutions to the challenges. AFE Zambia organized roundtable meetings among LFs to create an environment where they could share their experiences. Topics included conducting training and extension for producers, developing rural distribution networks, financial management, and the importance of audits. These discussions generated key learning and capacity building that translated into greater impact for MSMEs engaged with these firms.
11. It is important for LFs to have well thought-out strategic plans before beginning new investments or expansion activities. Before working with AFE some of the LFs had hired third parties to develop business plans on their behalf. As they were not directly involved the firms did not take ownership of these plans and they were not implemented. By working in a participatory manner (using question guides designed to facilitate their initiatives) the AFE program was able to help the firms to develop a more realistic approach towards their new initiatives. For example, one LF wanted to set up outgrowing operations in several different areas of the country, but after the AFE facilitated strategic planning exercise they realized that their plans were too idealistic and not feasible.
12. Having clear agreements with LFs that stipulate objectives, expectations, and responsibilities facilitates successful collaboration. Once such agreements are established, the project must be ready to monitor, support and evaluate the agreed upon activities. To help with this, LFs should designate one person to engage with the project on issues such as reporting, monitoring, and financial invoicing. Asking the LF to involve a second person is also helpful with firms that are subject to higher staff turnover.
13. Staff from other development organizations found great value in learning effective ways to design and implement value chain programs that involve collaboration with LFs. With the growing call to integrate the private sector into development programs to ensure more sustainable impact, other the participants expressed appreciation for the trainings offered

by AFE especially the sessions on how to avoid market distortions and promote sustainable impact for the target groups.

14. Value chain development programs can increase their scale of impact by leveraging private sector investments and initiatives. The AFE program underspent in the second year of operation but was able to deliver higher than projected results due to efficient collaboration with LFs that were engaged in mutually beneficial relationships with MSMEs. This demonstrated that substantial achievements can be accomplished with modest budgets, a sound methodology and effective implementation.

VII. Conclusion

The Expanding Impact on USAID/Zambia Supported Value Chains program proved to be a great success. By working with 32 lead firms in three distinct value chains, AFE Zambia was able to leverage the inspiration and hard work of the private sector, positively affecting more than 26,000 producers in a sustainable way.

APPENDICES

Appendix 1: Illustrative Business Plan Question Guide

Appendix 2: Sample Monitoring Checklist

Appendix 3: Financial Reporting Example

Appendix 4: Indicators

Appendix 5: Sample Invitation for Applications (IFA)

Appendix 1: Illustrative Business Plan Question Guide

Generic Business Plan Outline *[example of Handmade Paper]*

1.0 COMPANY/ORGANIZATION PROFILE

- Description of existing company and business operations
- Why are you interested in producing handmade paper?
- How does handmade paper fit within your overall business?

2.0 PRODUCTS/SERVICES DESCRIPTION

2.1 Service/product description

- What varieties of handmade paper will you offer?
- What are the competitive advantages of your handmade paper compared to handmade paper from other existing sources?

2.2 Competitive comparison

- Where do consumers currently get their handmade paper?
- Who would you be competing with in terms of offering handmade paper?
- What makes your handmade paper more attractive/ beneficial to consumers?
- What is/will be unique in your handmade paper? What are the “plus factors”?
- How feasible is it for consumers to purchase/access your handmade paper?

3.0 MARKETING PLAN

3.1 Market Study/ Analysis

- What geographic area(s) are you targeting for the sale of your handmade paper?
- What is the profile of the consumers buying handmade paper from you?
- How many potential consumers are there? How many of those are actually purchase handmade paper?
- How many of those consumers would realistically buy from you? (projected market share – 1st year, 2nd year, etc.)?

3.2 Marketing Strategy

- What strategies or tactics will you use to get consumers to buy your handmade paper?
- Where will you sell your handmade paper?
- How will the handmade paper be sold (credit, cash, both)?
- What is your pricing strategy for the handmade paper?

4.0 PRODUCTION/TECHNICAL PLAN

- How will you organize production?
- What production methods will you use for the handmade paper?
- What infrastructure or equipment is required?
- What kind of training or technical support will you need?
- What are the production assumptions (by year)?
- Where will the production materials come from?

5.0 ORGANIZATION & MANAGEMENT PLAN

5.1 Operations Management

- What are the proposed staffing arrangements for the production operations? (who will be responsible for day-to-day management? who will be responsible for the overall operations? how many laborers will be hired?, on what basis will be the staff be hired – seasonal, full-time, part-time?)
- Describe the qualifications of the staff to administer the operation
- How will staff be paid (salary, daily, commission, etc.)?
- What are the major risks the operation may face? How to you plan to mitigate or manage these risks?

6.0 FINANCIAL PLAN

6.1 Projected Income Statement (file format to be provided separately)

6.1.1 Sales Forecast

- What handmade paper products will be sold?
- How much do you expect to sell? (per quarter? production cycle? season?)
- What is the estimated amount of sales (per quarter? production cycle? season?)
- Breakout the rationale for the projected sales forecasts (e.g. what % out of total demand for handmade paper will be met by handmade paper from you?)
- What is the projected increase in sales and market share over time?

** Estimates for sales should start small and be more conservative

6.1.2 Cost Assumptions

- detailed list of all cost elements:
 - o salaries and staff costs
 - o production supplies
 - o marketing and promotion activities
 - o capital equipment
 - o utilities (e.g. electricity, water)
 - o rent
 - o transportation
 - o etc.

6.2 Break-even point

- How much handmade paper need to be sold for operations to breakeven?

Appendix 2: Sample Monitoring Checklist

CHECKLIST FOR MONITORING OF AFE SUPPORTED LEAD FIRM TRAINING/COACHING ACTIVITY*

1. Description of the training (as per our agreement)
2. Description of the training (as it took place)
3. Was the training in conformance with the description in our agreement with the LF? If not, what were the differences?
4. Who were the trainers?
5. Who were the participants / how many?
6. Were attendance records kept?
7. What were the topics covered?
8. What was the duration?
9. What training style(s) were used (lecture, question/answer, demonstrations, field visits, etc.)? Did they have a training module or session plan? Did AFE support them with any of this preparation? If so were the training plans respected?
10. What kinds of handouts were given?
11. Was any kind of evaluation done?
12. What feedback if any did we give to the trainers? What feedback/recommendations should we give to the trainers / company to improve for next time?
13. Were there any refreshments or food?
14. Other comments

****To be completed by AFE staff person after visiting a LF training activity***

Appendix 3: Format for Submission of Expenditures by Lead Firms

This document presents a template that can be used by companies that are collaborating with AFE to prepare their financial reports and present the expenditures for agreed upon activities. Financial reports submitted by companies should include the following:

1. **An invoice** – the invoice should present (by budget line item) the expenditures made by the company for the agreed upon activities, the agreed upon AFE cost share percentage, and the total amount requested for reimbursement. The budget line items in the invoice should correspond with the budget line items in the MOU or related MOU addendum. The invoice needs to be signed by an authorized company representative, dated, and submitted to the DO in a timely manner.
2. **Supporting documentation** must be submitted with the invoice. **A cover sheet** for each budget line item will summarize the costs incurred under that line item, and provide a reference number for each attached receipt. All of the receipts for expenditures under that budget line item must be attached to the cover sheet. Original receipts are preferred unless the company provides a reason why it needs to keep the original (in which case it can provide a copy). It is preferred that all receipts be pasted onto blank sheets of paper and labeled with a reference number (that will show up in the cover sheet and invoice). If receipts are not available the company should produce a reimbursement voucher.

Please find attached a sample invoice, cover sheets, and receipts.

RECIEPT COVER PAGE

Budget Line Item: Meals and Transportation for Training

Description	Reference #	Amount
Meals for training participants	1	\$100
Travel Stipend	2	\$60
	Total	\$160

RECIEPTS ATTACHED ON ADDITIONAL PAGES

Budget Line Item: Meals and Transportation

<p>Yum Yum Food 777 South Street Smallville 703-555-5555</p>	<p>INVOICE</p>																
<p>TO: Company X Date: November 16th, 2011</p>																	
<p>Please provide payment for the following:</p>																	
<table border="1"><thead><tr><th>Description of Merchandise / Services</th><th>Quantity</th><th>Unit Price</th><th>Total</th></tr></thead><tbody><tr><td>Meals for training participants</td><td>25</td><td>\$4</td><td>\$100</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td></td><td></td><td>Total</td><td>\$100</td></tr></tbody></table>	Description of Merchandise / Services	Quantity	Unit Price	Total	Meals for training participants	25	\$4	\$100							Total	\$100	
Description of Merchandise / Services	Quantity	Unit Price	Total														
Meals for training participants	25	\$4	\$100														
		Total	\$100														
<p>Signature of Company Representative: <i>Jane Doe</i></p>																	
<p>Printed Name of Company Representative: Jane Doe</p>																	

Participant Name	I certify that I received money for travel	Signature
Mike Jones	\$3	<i>Mike Jones</i>
Henry Blue	\$3	<i>Henry Blue</i>
April Smith	\$3	<i>April Smith</i>
Edward Taylor	\$3	<i>Edward Taylor</i>
Eric Curtis	\$3	<i>Eric Curtis</i>
Alex O'Hare	\$3	<i>Alex O'Hare</i>
Jane Martin	\$3	<i>Jane Martin</i>
Sabrina Fendrick	\$3	<i>Sabrina Fendrick</i>
Jason Fillion	\$3	<i>Jason Fillion</i>
Jessica Schipp	\$3	<i>Jessica Schipp</i>
Lisa Davis	\$3	<i>Lisa Davis</i>
Sarah Anderson	\$3	<i>Sarah Anderson</i>
Frank Shorter	\$3	<i>Frank Shorter</i>
Steven Walter	\$3	<i>Steven Walter</i>
John Nash	\$3	<i>John Nash</i>
Jim Bean	\$3	<i>Jim Bean</i>
Jack Morgan	\$3	<i>Jack Morgan</i>
David Harper	\$3	<i>David Harper</i>
William Austin	\$3	<i>William Austin</i>
Ben Bennett	\$3	<i>Ben Bennett</i>

Appendix 4: Indicators

Contributions to USAID ZAMBIA Development Objectives: DO2: Rural poverty reduced in targeted areas

AFE Program Year 3

USAID Zambia FtF Indicators	Milestone / Benchmark	Indicator
2.2.1b Number of public-private partnerships formed as a result of FtF assistance	At least six firms provide improved/ expanded support on sustainable basis to producers as part of their commercial transactions with them At least 2,500 MSME producers with expanded access to markets (based on sustainable commercial relationships with lead firms)	No. of Lead Firms Supported by AFE
2.2.4a Number of farmers selling products*	At least 2,500 MSME producers with enhanced production as a result of products/support from companies they buy from or sell to	Total No. of MSME Producers LF buys from
2.1.3b Individuals receiving USG supported short-term agricultural productivity or food security training*		No. of MSME Producers receiving agricultural training from LF -- % Female
2.1.2c Number of farmers and others that have applied new technologies or management practices as a result of USG assistance	At least 4,000 MSME producers receiving improved support from companies they buy from / sell to (technical skills, inputs, finance, new technologies, etc.)	Total No. of MSME Producers LF is Sourcing From / Selling To -- % Female
2.2a Value of incremental sales	Sales and profitability of both MSMEs and LF increases by at least 10%	Total Value of MSME Producer Sales/Purchases
2.2.3c Institutions/organizations undertaking capacity/competency strengthening as a results of USG assistance (optional)	At least 100 local development practitioners with improved skills and knowledge in value chain/ market development facilitation processes (with related impact on their target groups)	No. of development organizations participating in AFE training activities
2.2.4b Number of outgrower schemes 2.2.4c Number of farmers participating in outgrower schemes*		Total No. of LF Outgrower Schemes [Agribusiness only] Total No. of MSME Producers participating in LF Outgrower schemes -- % Female

Appendix 5: Sample Invitation for Applications (IFA)

INVITATION FOR APPLICATIONS PROGRAM TO SUPPORT AGRICULTURAL INPUT SUPPLY IN ZAMBIA'S EASTERN PROVINCE

Action for Enterprise Zambia (AFE Zambia), a US-based non-profit development organization, is implementing a USAID funded program which aims to expand Zambia's ability to compete with increasing effectiveness in targeted value chains. As part of this program, AFE Zambia is inviting agricultural input supply companies in Zambia to submit applications to build their capacity to provide greater access to quality inputs for farmers in Zambia's Eastern Province, as well as improved information and training on the proper use of those inputs.

Technical and financial support agreements of up to \$7,500 US will be negotiated to pilot specific activities with selected companies based on the selection process described below. These funds must contribute to a significant investment (in cash or in-kind) that will be made by the companies themselves. AFE Zambia program staff will also support the successful applicants in the implementation of their activities.

Applications must be submitted in accordance with the format described, and received no later than September 25th, 2010.

Background

The objective of the AFE Zambia input supply development component is to promote greater access to quality agricultural inputs (and better information on the use of those inputs) for farmers in the Eastern Province of Zambia. AFE Zambia realizes the importance of private sector companies to drive change and needed inputs and technical support to the producers they transact with. AFE Zambia is therefore seeking to collaborate with input supply companies in order to support initiatives that will improve their competitiveness, expand their distribution networks, build their capacity to provide useful information and training to producers, and offer a greater variety of quality inputs adapted to the needs of producers, food processors and packagers located primarily in the Eastern Province of Zambia.

Illustrative Areas for Support

Proposed activities should contribute to the company's ability to develop commercial relationships with and offer quality inputs to producers in Zambia. Examples of activities that could be supported include, **but are not limited to**, the following (*company would be responsible for organizing and managing these activities with technical and/or financial support from AFE Zambia*):

1. Company led training, coaching or field days to expose producers to improved use of agricultural inputs (seeds, tools, chicks, feed, equipment, etc.);
2. Organization of demonstration plots to expose producers to new varieties and/or improved use of agricultural inputs;
3. Capacity building of company staff to provide improved information and training to producers and distributors;
4. Training and capacity building of company distributors (retailers, commissioned agents, etc.) to enable them to better inform producers on the correct use the products that the company is offering (seeds, inputs, chicks, feed, tools, etc.);
5. Development of posters, brochures or other materials to assist in the dissemination and good use of agricultural inputs for small scale farmers;
6. Expanding the company's rural distribution network through the identification and training of individuals that can serve as commissioned agents;
7. Identification and testing of new crop varieties and other agricultural input products to meet the needs of consumers (including the food processing industry in Zambia);
8. Development of programs to produce inputs that will be sold to farmers (seed, feed, etc.);

9. Developing or improving products to make them more attractive to producers (better packaging, lower cost, etc.);
10. Exposure visits in Zambia or other countries to identify new sources of seed, tools, equipment, or other inputs, and;
11. Strategic planning exercises/ development of business plans to expand distribution networks.

This list is non-exhaustive. It provides examples of company initiatives that could be supported by AFE Zambia. Any combination of these activities is encouraged. However, all supported activities must show how they will create sustainable impact for the producers that the company sells to.

AFE Zambia financial support cannot be used for:

- Working capital (day to day company operations for salaries, rent, purchases, etc.)
- Direct payment or subsidy to producers
- Fixed assets (tools, equipment, etc.)

General Criteria:

Criteria for input supply companies eligible for this program include:

- They must currently be selling products (either directly or through their distributors) to at least 100 producers in the Eastern Province or
- They must demonstrate a commitment to expanding their current operations to the Eastern Province
- They must have been in operation for at least two years.
- They must be selling products of acceptable quality that respond to the needs of farmers.
- They must have policies in place to ensure that no dangerous or illegal products are sold to producers.
- They must have commercial interest and incentives to invest in the producers they sell to through training, new products, field days and/or other forms of support.
- Their primary market must be selling towards farmers and other small-scale private enterprises, not to development organizations, NGOs, government or similar non-private entities.
- Their investment in the proposed initiative must be at least 30% of the cost of the initiative.
- ***At least 60% of proposed activities/ budget should be for activities where the company develops/improves the direct support it provides to producers (training, introduction of new products, technologies, quality management, etc.)***
- Program is not eligible for NGOs, consulting firms, or associations.

After review of the applications, AFE Zambia may determine that some of the proposed activities (such as exposure visits) might be best pursued as “cross-company” interventions, with several agricultural input supply companies participating. This could have the effect of reducing costs and promoting lateral learning among the participating companies. This assessment (as well as discussions with the Applicants) will take place once Applicants’ have submitted their applications.

Expected Results

While it is expected that participating companies will benefit from these activities, it is also expected that activities supported under this program will benefit the producers the companies are selling to in terms of better information, skills upgrading, improved productivity, and/or enhanced revenues.

Preparation of Applications

Support from AFE Zambia may be given to several different companies. All applications will be evaluated based on the criteria in the table below and the general criteria given above. ***All applicants that meet the criteria will be considered for support.*** Applicants are invited to discuss their ideas and request advice from AFE Zambia in the preparation of their applications.

INSTRUCTIONS AND FORMAT

<p>Cover Page <i>Name and Address of Applicant (address, phone, fax, email)</i> <i>Date of Submission</i> <i>Lead Person to Contact</i> <i>Reference: AFE Zambia Input Supply Sector Application</i></p>
<p>Activities and Impact (up to 2 pages): <i>Clear description of proposed activities including how they fit into the company's business strategy, how they will contribute to improved competitiveness, and how they will promote greater access to quality inputs for producers.</i></p>
<p>Personnel (up to 1/2 page): <i>Describe the name and qualifications of the people who will be responsible for implementing the activities.</i></p>
<p>Experience (up to 1/2 page): <i>Brief description of past or current initiatives that company has conducted similar to those proposed, or why the company feels it is qualified to successfully conduct the proposed activities.</i></p>
<p>Sustainability (up to 1/2 page): <i>A clear description of how the activities will result in increased and sustainable commercial relationships between the company, its distributors, and producers, and how the company will be able to continue these commercial relationships and provide ongoing products and support to the producers once the program ends.</i></p>

Applications will be accepted in English and must be no more than four pages in length (not including the budget or budget notes). AFE Zambia will select applicants that meet criteria by October 2011. At that time, more detailed activity planning will take place between AFE Zambia and the applicants. This planning will include:

- Detailed discussions and agreement on strategy, budget and timing for different activities.
- Discussions on how technical support from AFE Zambia staff and consultants can be provided to support the agreed upon activities.
- Discussions on how combined technical support or "cross-company activities" might be organized with several Companies.

Activities will begin in October 2011. All supported initiatives must be completed by March 2012.

Please submit an electronic copy of the application by September 25th, 2011 to the AFE Zambia representative at email: _____. Please include the name of the lead contact person who will be involved with the application process as well as the telephone and email contact information.

Conditions

Issuance of this invitation for application in no way constitutes a commitment by AFE Zambia to execute any agreement or to pay any costs incurred by any applicant in submitting an application.

Please note that AFE Zambia **will fully respect the confidentiality** of all companies involved in the program. A joint memorandum of understanding between AFE Zambia and the Company will be developed, with detailed activities clearly defining the respective responsibilities, roles, and obligations of each party. Successful applicants must be willing to share information with AFE Zambia regarding their sales to (or purchases from) targeted producers. AFE Zambia (on a sample basis) will conduct interviews with these producers to gather information on impact and to monitor progress.

Instructions for Completing the Budget

Each applicant will prepare a budget using the format below. Please provide as much detail as possible in the line item descriptions and budget notes. If possible (though not mandatory) applicant should prepare and send this budget as an additional file in Microsoft Excel format. ***Applicant must contribute at least 30% of proposed costs.***

	Line Item	Budget Notes (describes line item in more detail)	Cost/ Unit	Days/ Unit	People/ Number	Total Cost
1						
2						
3						
5						
6						
7						
8						
9						
10						
11						
	<i>AFE Zambia contribution</i>					
	<i>Company cost (at least 30%)</i>					

* Please contact AFE Zambia for any assistance or questions you may have.