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ZIMBABWE AGRICULTURAL COMPETITIVENESS PROGRAM

ANNUAL REPORT & FOURTH QUARTERLY PROGRESS REPORT

YEAR THREE (OCTOBER 2012 – SEPTEMBER 2013)

CONTRACT NO. EDH-I-15-05-00004-00

TASK ORDER EDH-I-15-05-00004-00

OCTOBER 2013

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI.

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Program Title:	Zimbabwe Agricultural Competitiveness Program
Sponsoring USAID Office:	USAID Zimbabwe
Contract Number:	EDH-15-05-00004-00, Task Order 4
Contractor:	DAI
Date of Publication:	October 2013
Author:	DAI and its partners Imani Development Consultants & Lead Trust

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS

ACBF	Africa Capacity Building Foundation
ACP	Agricultural Competitiveness Program
ACE	Agriculture Commodity Exchange
AFWG	Agriculture Finance Working Group
AGRITEX	Department of Agricultural Technical and Extension Services
AMA	Agricultural Marketing Authority of Zimbabwe
ARDA	Agricultural and Rural Development Authority
AU-IBAR	African Union Inter African Bureau for Animal Resources
BSP	Business Service Providers
CA	Commodity Association
CALR	Centre for Applied Legal Research
CBO	Community Based Organization
CIBER	Competitiveness Impacts of Business Environment Reform
CIG	Commodity Industry Group
COMEZ	Commodity Exchange in Zimbabwe
COP	Chief of Party
COR	Contracting Officer's Representative
CFU	Commercial Farmers Union
CZI	Confederation of Zimbabwe Industries
DAI	Development Alternatives Inc.
DCOP	Deputy Chief of Party
DOHOPA	Domboshawa Horticultural Producers' Association
DR&SS	Department of Research and Specialist Services
DLPVS	Department of Livestock Production and Veterinary Services
EMA	Environment Management Agency
EU	European Union
FACHIG	Federated Associations for Community Self-Help Investment Groups
FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network
FAO	Food and Agriculture Organization
FO	Farmer Organization
FY	Financial Year
GMAZ	Grain Millers Association of Zimbabwe
GMB	Grain Marketing Board
GOZ	Government of Zimbabwe
HPC	Horticulture Promotion Council
ITC	International Trade Centre
LMAC	Livestock & Meat Advisory Council
LOE	Level of Effort
LTTA	Long-term Technical Assistance
MATF	Manicaland Agricultural Task Force
MABC	Matabeleland Agricultural Business Chamber
MAMID	Ministry of Agriculture, Mechanization and Irrigation Development
MAPA	Murehwa Agricultural Producers' Association
M&E	Monitoring and Evaluation
MLWG	Marketing Linkages Working Group
MMM	Monthly Management Meeting

MoU	Memorandum of Understanding
MPPA	Manicaland Poultry Producers' Association
MSU	Michigan State University
NGO	Non Governmental Organization
PMP	Project Monitoring Plan
RAP	Regional Agricultural Policy
RDC	Rural District Councils
SADC	Southern Africa Development Community
SATH	SADC - Trade Hub
SAZ	Standards Association of Zimbabwe
SME	Small and Medium Enterprises
STTA	Short Term Technical Assistance
TAMIS	Technical and Administrative Management Information System
TA	Technical assistance
TFC	Trade Finance Capital
ToT	Training of Trainers
TWG	Technical Working Groups
USAID	United States Agency for International Development
USG	United States Government
WAM	Weekly Activities Meeting
WRS	Warehouse Receipt System
WTO	World Trade Organization
ZADT	Zimbabwe Agricultural Development Trust
ZCFU	Zimbabwe Commercial Farmers Union
ZEPARU	Zimbabwe Economic Policy Analysis and Research Unit
ZFU	Zimbabwe Farmers' Union
ZIM-ACP	Zimbabwe Agricultural Competitiveness Program
ZIM AIED	Zimbabwe Agricultural Income and Employment Development Program
ZIMRA	Zimbabwe Revenue Authority
ZNCC	Zimbabwe National Chamber of Commerce
ZRP	Zimbabwe Republic Police
ZWPFT	Zimbabwe Women Poultry Farmers' Trust
XDS	Expert Decision Systems

CHAPTER I: HIGHLIGHTS AND OPERATING ENVIRONMENT

1.1: ZIM-ACP IN BRIEF

The Zimbabwe Agricultural Competitiveness Program (Zim-ACP) was established to help improve competitiveness in Zimbabwe's agribusiness and agricultural sectors. Private sector-driven and market-based agricultural production and services delivery at the farm, firm, commodity, and industry (sector) levels; fostered by an enabling business environment at all levels (as defined by policies and regulations) are the key elements to achieving greater competitiveness.

The primary objective of Zim-ACP is to provide technical support to the farmers by strengthening agribusiness representative bodies and farmers' organizations in order to create an enabling business environment that contributes to economic growth and employment. Since its inception in October 2010, Zim-ACP works to cultivate, encourage and improve business competitiveness within the agricultural sector via three interlocked components:

Component 1 - supporting and strengthening representative farmers unions, commodity associations and agribusiness associations and assisting them to develop their analytical and advocacy capacity;

Component 2 - increasing the efficiencies in agricultural markets, developing and applying improved technologies and enhancing the capacity of market institutions; and

Component 3 - enhancing the capacity of business service providers to deliver quality, demand-driven trainings and technical assistance at a firm and farmer level.

Zim-ACP as a technical assistance provider is helping partners to become shrewd advocates using evidence-based arguments and public-private dialogue, and to become competent organizations in planning and membership services. It provides feasibility studies towards filling institutional gaps in the market, such as commodity brokerage, warehouse receipts systems and adherence to standards, and promotes them to private investors where viable. It offers training that is vital to the advancement and competitiveness of farmers and firms alike, and provides a link from unions to training firms to members to assure the uptake of training in business skills and standards.

1.2 HIGHLIGHTS

Through organizational strengthening in FY3, Zim-ACP achieved broad successes in terms of preparing the farmers' organizations to carry on their advocacy roles.

- By August 2013, 14 policies/Regulations/Administrative Procedures have been drafted and presented for public/stakeholder consultation, seven have been presented for legislation/decreed, and three have been passed/ approved and implementation has begun.
- Farmer representative bodies and agribusinesses and commodity associations made presentations on issues of concern to members at 86 forums and meetings.

- 573 individuals drawn from technical units of farmers' organizations, academic and research institutions as well as independent consulting firms have received USG supported short-term agricultural sector productivity or food security training. The training is intended to increase the pool of individuals and institutions with knowledge and technical skills for policy research, analysis and evidence-based advocacy;
- 40 private enterprises, producer organizations, water user associations, women's groups, trade and business associations and community-based organizations applied new technologies through the development of websites, databases, and/ or management practices as a result of USG assistance;
- 56 individuals received training by ITC/WTO in collaboration with SAZ to raise awareness on the importance of standards for increased competitiveness and stimulated the demand for the development of GlobalGap-to benchmark local standards in the horticulture and livestock and meat commodity sectors.
- A total of 274 (104 female and 170 male) provincial and national farmers' leaders participating in 8 capacity building workshops developing 15 Actions Plans for advocacy, services provision, gender mainstreaming, improved leadership and governance;
- Websites for eight farmer and agribusiness representative bodies created for improved communication with members and service providers.
- MABC successfully lobbied AMA to hold its (AMA) first ever meeting with stakeholders in Bulawayo and for AMA to establish a regional office for Matabeleland Provinces in Bulawayo. AMA subsequently established a regional office house at the Cold Storage Company offices.
- The Horticulture Task Force actively guided the formulation of a plan to strengthen HPC and develop a competitiveness strategy to resuscitate the horticulture industry, which includes developing standards and integrating smallholder producers in high value markets.
- HPC and LMAC re-established market information systems as a service to their members providing 200 horticulture and 350 livestock commodity industry players information on market developments and price trends in selected domestic markets.
- The Tree Crop Commodity Industry associations and groups formed the Manicaland Agriculture Task Force (MATF) in line with the recommendations of the Tree Crop Competitiveness Assessment Study prepared by Zim-ACP which called for a one industry approach to address issues faced in Manicaland.
- Applying skills from the leadership capacity building efforts of Zim-ACP, Honde Valley Tea Growers' Association successfully lobbied ARDA to adopt measures to resuscitate the Katiyo tea processing factory with growers' involvement in the rehabilitation of the Katiyo tea plantation.
- The National Agricultural Extension Indaba in May 2013, fostered public-private sector dialogue on improving coordination among public and private sector agricultural extension service providers. As a result a Working Group was established to develop a national agricultural extension policy. Hosting the Indaba further enhanced the credibility of the Project in facilitating open Public – Private Dialogue (PPD) addressing issues pertaining to agricultural policies and strategies.

- Following his officiating, three Zim-ACP organized, provincial ZFU leadership and gender capacity building workshops, ZFU National President, Mr. Silas Hungwe gave the keynote address at the 73rd ZFU Annual National Congress, on September 17-18, 2013. At this event, he repeated the call for more women to be elected into leadership positions at all organizational levels of the Union. He also called on the MAMID to adopt a policy strategy that improves agricultural competitiveness. In doing so, Mr. Hungwe articulated the Zim-ACP capacity building theme to the 500 ZFU delegates and 120 invited guests, including the two Deputy Ministers and the Permanent Secretary of MAMID.

1.3 OPERATING ENVIRONMENT

The FY 2013 general business and macro-economic environment was characterized by the following:

- An early and prolonged mid-season dry spell resulting in reduced food output;
- Counterpart ministries not collaborating on policy conducive for private sector development;
- A policy environment unfriendly to private sector participation;
- Political uncertainty compounded by prolonged discussions and disagreements on finalizing the constitution and referendum and elections dates;
- A strong tendency toward protectionism in the manufacturing sector;
- Inadequate financial liquidity and high cost of capital reducing access to both investment and working capital;
- Resource constraints (human and capital) within the CIGs, unions and associations;
- Indigenization policy hostile to Foreign Direct Investment;
- Extreme power supply shortage;
- Deteriorating rural road networks;
- Poor water supply for domestic and industrial use in all urban centers; and
- Land tenure untenable and land not available as collateral.

The operating environment subdued economic activities and performance throughout all economic sectors. The shortage and high cost of finance depressed investment in rehabilitating and financing in the manufacturing sector.

Due to depressed manufacturing sector and low agricultural outputs, the country remained a net importer of maize, milk, high quality vegetables (potatoes, tomatoes, and fruits), processed food and durable consumer goods. The tendency toward protectionism in the manufacturing sector remains high. The economic players in agriculture have tended to call for government imposed restrictions on imports. This had the effect of dampening any discussion promoting open trade and improvement in competitiveness.

Only short-term financing, less than three months, is available to the agriculture industry. As a result primary production which needs at least six months of financing is not adequately funded. Farm productivity and output remained low this quarter and throughout the year. Income flow to farmers' and agribusiness representative bodies remained subdued. The representative bodies remain unable to raise adequate financial resources from membership fees due to depressed economic activities and constraints faced by members. As a result the organizations are limited in their capacity to engage members in the provinces to get feedback and dialogue on needed policy and regulatory reforms.

Political uncertainty emanating from continued discussions on finalizing the new Constitution and disagreements on national elections dates that characterized the environment was pervasive throughout

the year. The prolonged uncertainty over the election period and dates resulted in subdued economic activities and performance. Due to the political atmosphere and the lead time it took to hold election, the Project was forced to postpone a number of capacity building activities in the provinces in Quarters 1 and 2, which disrupted continuity.

1.4 PROGRESS TOWARDS INDICATORS

Table 1.1: Indicators Table Targets

Indicator Summary	Year 1 Actual		Year 2 Actual		Year 3 Target		Year 3 Actual		Year 4 Target	
4.5.2-43 Number of firms (excluding farms) or Civil Society Organizations (CSOs) engaged in agricultural and food security-related manufacturing and services now operating more profitably (at or above cost) because of USG assistance	0		260		400		251		250	
ACP 1 Value of resources leveraged through partnerships with agribusinesses, agribusiness service providers, NGOs etc	0		367,468		150,000		512,003		200,000	
ACP 2 Service delivery to members by representative bodies of farmers, commodity associations and agribusiness organizations	215 841		221 428		276 000		10, 406		280,000	
4. 5.1-24 Number of Policies/Regulations/ Administrative Procedures in each of the following stages of development as a result of USG assistance in each case: Stage 1: Analyzed Stage 2: Drafted and presented for public/stakeholder consultation Stage 3: Presented for legislation/decreed Stage 4: Passed/approved Stage 5: Passed for which implementation has begun	Stage 1	1	Stage 1	12	Stage 1	20	Stage 1	0	Stage 1	20
	Stage 2	1	Stage 2	21	Stage 2	15	Stage 2	14	Stage 2	12
	Stage 3	0	Stage 3	12	Stage 3	8	Stage 3	7	Stage 3	8
	Stage 4	0	Stage 4	0	Stage 4	3	Stage 4	0	Stage 4	3
	Stage 5	0	Stage 5	2	Stage 5	4	Stage 5	3	Stage 5	3
ACP 5 Representative bodies of farmers and agribusinesses and commodity associations participating in public forums and attending Parliamentary committee meetings	14		68		85		86		105	
4.5.2-37 Number of micro, small and medium enterprises receiving business development services from USG assisted sources	2,389		11,274		4,000		4,174		5,000	
4.5.2-28 Number of private enterprises, producer organizations, water user associations, women's groups, trade and business associations and community-based organizations that applied new	1,510		260		50		40		50	

technologies or management practices as a result of USG assistance										
GNDR -3 Number of project beneficiaries in relevant leadership positions							512		512	
							331 Male		300 Male	
							181 Female		212 Female	
GNDR-4 Proportion of target population reporting increased agreement with the concept that males and females should have equal access to social, economic and political opportunities							49.62 %		50%	
ACP 3 Number of clients reached by market facilitation institutions/systems supported by USG assistance	0	0		625			550		400	
4.5.2-11 Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	2 389	288		50			23		50	
4.5.2-7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	72	260		120			573		60	
ACP 4 Number of market facilitation institutions/systems that, as a result of USG assistance are in each of the following stages: Stage 1: Undergoing capacity/competency assessment; Stage 2: Undertaking capacity/competency strengthening; Stage 3: Functional	Stage 1	0	Stage 1	42	Stage 1	4	Stage 1	2	0	2
	Stage 2	0	Stage 2	0	Stage 2	3	Stage 2	2	Stage 2	2
	Stage 3	0	Stage 3	0	Stage 3	3	Stage 3	1	Stage 3	1

CHAPTER II: PROJECT ACTIVITIES

This section presents the activities conducted during the 4th quarter as well as the results achieved during FY 2013. The explanation of high or low achievement compared to the target is presented in the Monitoring and Evaluation Section (Section 3.4).

2.1 COMPONENT ONE: STRENGTHENING ORGANISATIONS AND INSTITUTIONS FOR EVIDENCE BASED- ADVOCACY

2.1.1 Strengthening the Individual Farmers' Organizations

Much of Zim-ACP's capacity building for organizational strengthening efforts in FY 2013 was in response to requests by organizations to equip leaders with skills, new knowledge and perspectives to address specific organizational development needs or challenges in light of the current political, socio-economic and policy environment.

A total of 274 (104 female and 170 male) leaders were equipped with readily applicable leadership skills and knowledge covering (i) governance, leadership and organizational transformation, (ii) evidence- and issue-based advocacy and lobbying; (iii) service provision and business linkages which met identified members' needs; (iv) gender mainstreaming to enhance women leadership and effective participation at all organizational levels; and (v) awareness of impacts of members' action on the environment and environmental problems and policy issues, including climate change (Table 2.1.1).

Table 2.1.1: Leadership for Governance, Advocacy, Service Provision, Gender Mainstreaming and Environmental Awareness

Date	Workshop	Attendance		
		Male	Female	Total
2 -5 July 2013	ZWPFT Leadership Training	7	17	24
23-25 July 2013	MABC Leadership Training	19	9	28
14-17 August 2013	ZFU Mashonaland East Horticulture Leaders' Training	19	11	30
20-23 August 2013	ZFU Mashonaland West Horticulture Leaders' Training	22	5	27
26-30 August 2013	Service Provision and Business Linkages Capacity Building	32	16	48
3-6 September 2013	ZFU Manicaland Horticulture Leaders' Training	16	13	29
10-13 September 2013	Tree Crops Association Leaders' Training	26	4	30
17-20 September 2013	FACHIG Leaders' Training	11	18	29
24-27 September 2013	ZCFU Mashonaland Central and West Leaders Training	18	11	29
Total		170	104	274

Table 2.12 summarizes the immediate outcomes of the capacity building for each organization.

Table 2.1.2 Adoption of learned management practices

Organization	Type of Training	Immediate Actions or Outcome from the Training
ZFU	Leadership	<ul style="list-style-type: none"> Established new district and provincial leadership of horticulture commodity associations in Mashonaland East, West and Manicaland Provinces. Incorporated DOHOPA and MAPA as the building blocks of the Mashonaland East Horticulture Commodity Association; DOHOPA marketing secretary and MAPA chairperson elected Chairperson and Vice-chairperson, respectively, of the Mashonaland East Horticulture Commodity Association; ZFU established an Agri-business Chamber for services provision
MAPA	Lobbying and Advocacy	<ul style="list-style-type: none"> Successful lobbied DDF for grading of local roads from Ngwerume area serving in transportation of commodities to Murewa Centre market
DOHOPA	Services Provision	<ul style="list-style-type: none"> Engaged horticulture buyers and contracting firms (Ariston Holdings, Selby, Lonrho Holdings among others to present to horticulture producers their procurement plans
	Leadership	<ul style="list-style-type: none"> DOHOPA's secretary leadership skills have been enhanced through Zim-ACP's capacity building. He was elected Chairperson of ZFU Provincial Horticulture Commodity Association.
FACHIG	Services Provision	<ul style="list-style-type: none"> Brokered sorghum contract farming with Delta. Their members received inputs, expert advice on production and will have a guaranteed market for the sorghum. Delta has ensured a consistent supply of raw material.
ZCFU National leadership	Leadership	<ul style="list-style-type: none"> Developed a clearer understanding of their roles and mandate as leaders and a farmers' union Agreed to stop being political in networking with stakeholders
	Gender mainstreaming	<ul style="list-style-type: none"> Developed a gender policy to be rolled out at Annual Congress on 16 October
ZWPFT	Lobbying and Advocacy	<ul style="list-style-type: none"> Lobbying the Ministry of Finance to review Harmonization System (HS) Codes for poultry to minimize importation of poultry diseases. They have presented their issue to the Ministry and are waiting for their response.
MABC	Leadership	<ul style="list-style-type: none"> Mission of the organization refined and developed a strategy Instituted an Advisory Board as a governance structure for the organization.
	Lobbying and Advocacy	<ul style="list-style-type: none"> Crafted a clearer organizational advocacy and lobbying strategy accommodative of all farmers' and agribusiness representative bodies in Matabeleland
ZCFU Mashonaland Central leaders	Service Provision	<ul style="list-style-type: none"> Tentatively agreed to collaborate with XDS on the development of credit score cards using their membership database, once it becomes functional. The farmers willing to access credit, will have to give consent for their information to be disclosed by the farmers Union Set-up a working team to develop plans for effective participation in the WRS, when it is established

MPPA	Leadership	<ul style="list-style-type: none"> • Its chairperson was elected the chairperson for Manicaland Agriculture Taskforce • Trained leaders more proactive after the training and sharing the same vision as an association e.g. on allocation of funds
	Services	<ul style="list-style-type: none"> • Signed MOU with Pro-feeds for the provision of poultry feed and chemicals to members at a discounted rate.
Honde Valley Tea Growers Association	Lobbying and Advocacy and Service Provision	<ul style="list-style-type: none"> • Successfully lobbied the ARDA Board to resuscitate tea production and processing at Katiyo ARDA Estate in Honde Valley. The Katiyo tea factory had been idle since 2009. • ARDA Board accepted the proposal by the Association for the growers to have a stake in the Estate and a production plan for rejuvenating smallholder tea plantation in order to supply the tea factory

In cooperation with SAZ and ITC (International Trade Centre) of Geneva, Zim-ACP facilitated two courses on identifying markets, voluntary standards, trade map and standards map. Fifty stakeholders (22 female, 28 male) from partner organizations, private sector business enterprises mainly from the livestock and horticulture CIGs were trained. The training was aimed at assisting value chain players to identify markets for their products as well as understand required standards. The training program stimulated representative bodies and firms in the livestock and horticulture commodity industry groups to demand and work with SAZ for the development of standards and provision of quality assurance services for their commodity industry groups. The CIGs will work with SAZ under the technical assistance and guidance of ITC/WTO and GlobalGap for the development of the standards.

Engaging service providers and creating business linkages

Forty-eight (16 female, 32 male) national and provincial leaders from ZFU, ZCFU, ZWPFT, DOHOPA, MAPA, MABC and representatives from ZFU's Tea and Coffee Commodity Associations participated in an interactive hands-on capacity building workshop on business linkages and service provision held in conjunction with the Harare Agriculture Show, August 26-30, 2013. In all, 21 agribusiness services providers and 9 public sector regulatory agencies (AMA, DLPVS, Plant Protection Institute, Farm Fertilizer Institute, DR&SS, ZIMRA), informed the leaders of the services they provide and the benefit to the farmers. As a result six MOUs for service agreements were signed.

At the same event, following a presentations by the regulatory agencies' representatives, the farmer leaders demonstrated their advocacy skills by calling for several reviews and assessments including (i) review of all Acts and Statutory Instruments in line with the provisions of the new Constitution; (ii) re-assessment of the relevance or appropriateness of the regulatory services relative to farmers' needs following the change in the structure of agriculture since the year 2000; and (iii) a follow-up with the regulator on how the Warehouse Receipt System (WRS) Act could be reviewed to institute a governance body that will safeguard the interests of smallholder farmers.

2.1.2 Public Forums and Consultative Meetings

Organizational leaders attended a total of 14 meetings and public forums advocating on significant industry issues, with MABC, LMAC and SMA very engaged in each. (Annex 1: Meetings and Public Forums attended by Stakeholders)

With inputs from the Horticulture CIG Task Force and Champions, Zim-ACP's HPC LTTA presented the draft Horticulture Competitiveness Strategy to 286 men and 304 female) at 10 meetings of horticulture producers in Mashonaland West, Mashonaland East and Manicaland provinces. These meetings provided a forum for obtaining views and further inputs which were incorporated into the strategy draft. The stakeholders suggested that the Competitiveness Strategy should address the following (1) hindrances to competitiveness in the value chain and identified target markets; (2) high priority actions needed to address these hindrances and opportunities; (3) resources needed and their likely sources and (5) effective organization and integration of the now dominant smallholder growers in high value domestic and export markets.

The process for the strategy development effected and enhanced public-private dialogue with the private sector influencing the process. The process is expected to be concluded in Quarter 2 FY2013 with launch of the strategy.

2.1.3 Regulatory Review and Advocacy

The main activities in Q4 were stakeholder consultation meetings to obtain views on the cost of compliance with regulations study and to endorse white papers on the review of the Animal Health Act and the Farms Feeds, Fertilizers and Remedies Act.

Animal Health Act and the Farms Feeds, Fertilisers and Remedies Act Endorsed

On September 2-3, 2013, 60 stakeholders (45 males, 15 females) from farmers' unions, EU, FAO, MAMID (DLPVS, AMA, and DR&SS) attended the National Stakeholder Consultative Meeting held in conjunction with the AU-IBAR (African Union Inter-African Bureau for Animal Resources) Veterinary Governance Workshop. The stakeholders validated and endorsed the White Papers on the Animal Health Act and the Farms Feeds, Fertilizers and Remedies Act. The White papers accompanied by Regulatory Impact Assessment will now be submitted to the Permanent Secretary for consideration for the legislative process.

The AU-IBAR Regional Focal-point commended the work done by LMAC with support from CALR. That work was accepted and endorsed as the first output of the Zimbabwe livestock policy hub and was also the first such submission from SADC. Because of their extensive work on the Animal Health Act in support of LMAC, CALR was identified as possible legal resources to support AU-IBAR undertake similar work in SADC.

In line with the AU-IBAR, the meeting established the Livestock Policy Hub to be chaired by Principal Director, DLVS with LMAC as Vice-Chair representing the private sector. The permanent committee comprises representatives from the public sector, private sector, parastatals, farmer organizations, NGO and civic societies.

Cost of Compliance Regulations

Total of 198 (53 female and 145 male) stakeholders from beef, pig, dairy and poultry value chains, attended four stakeholder consultative meetings (Table 2.1.3) providing information on costs incurred and administrative processes involved complying with regulations in their value chains.

Table 2.1.3 Stakeholder Consultative Meetings for the Cost of Compliance Study

Date	Workshop	Attendance		
		Male	Female	Total
09/06/13	Analysis of the cost of compliance in the livestock & poultry sectors (Marondera)	21	6	27
09/10/13	Analysis of the cost of compliance in the livestock & poultry sectors (Bulawayo)	62	27	89
09/11/13	Analysis of the cost of compliance in the livestock & poultry sectors (Gweru)	39	10	49
09/16/13	Analysis of the cost of compliance in the livestock & poultry sectors (Harare)	23	10	33
Total		145	53	198

The stakeholders reviewed and verified the cost models measuring impacts on net income in each of the value chains. Concerns raised included duplication of fees and levies payable to multiple government authorities and regulatory agencies. Stakeholders called for rationalization, harmonization and streamlining of regulations, as well as accountability and transparency in ensuring that all the levies, fees and charges collected directly benefit the industry. Rationalization, harmonization and streamlining the regulations entail extensive public and private engagement in reviewing the regulations. The stakeholders called for public-private sector dialogue and consultations on levies, fees and charges. Table 2.1.4 lists the five Task Forces tasked to deliberate on the specific changes to be done.

Table 2.1.4 Taskforces set-up

Issue	Taskforce stakeholders - examples
CA Accreditation Scheme	Dairy Services, DLVS, Producer, Processor
Livestock Clearance	ZRP Anti-Stock Theft, DLVS, Producer, Processor, Local Council
Dairy Registration	Dairy Services, Public Health, Local Council, Producer, Processor
Abattoir Registration	DLVS, AMA, Abattoir Operator
Depart. of Veterinary Service Fees	DLVS, Producer, Processor

Overall a total of 16 Acts and Statutory Instruments in the Livestock and Meat CIG went through Stages 1 to 2 (Annex 2). The envisaged outcome is the review of the regulations and levies as well as reduction of unnecessary administrative burdens on business of interfacing with government institutions. LMAC will host a national symposium in Q1 FY4 which will deliberate on the needed changes.

2.1.4 Capacity Building for Policy Analysis Research and Evidence-based Advocacy

Twenty-nine (nine female, 20 male) participants from ZFU, ZCFU, FACHIG, CFU, MABC, HPC, LMAC and academic research institutions attended the Advanced CIBER Training facilitated by Ulrich Ernst in August 2013. The training covered advances in analytical tools for CIBER based on international best practices and lessons learnt from other countries.

The participants will be championing the development of competitiveness strategies within their organizations. Four selected research assistants will undertake the competitiveness analysis of the cotton industry using the CIBER Assessment in quarter 1 FY 2014.

2.2 COMPONENT TWO: IMPROVING MARKET FACILITATION INSTITUTIONS

Component 2 supports the re-building and or strengthening of market institutions and systems that foster competitiveness in the agricultural sector in Zimbabwe. The market institutions/systems targeted under this component include:

- a) the commercial rules and regulations (such as property rights, contract enforcement, regulatory mechanism for anticompetitive behavior),
- b) industry-wide accepted standards, certification and quality assurance schemes;
- c) market information systems,
- d) market coordination mechanism through commodity exchanges and warehouse receipt systems.

During the last quarter, Zim-ACP supported initiatives offering the following market facilitation services:

- Agricultural Market Information Systems (AMIS)
- Warehouse Receipt System (WRS)
- Credit Referencing System (CRS)

Agricultural Market information resuscitated

350 people from LMAC's affiliated associations, other interested private and public stakeholders in the Livestock and Meat Commodity industry received LMAC's newly instituted Weekly Industry Update and Monthly Market Update. (Annex 3) The Weekly Industry Update highlights the LMAC activities and forthcoming events to keep industry players abreast of developments in the sector. It also includes LMAC's advocacy and lobbying efforts. LMAC reports that there has been an increase in the number of enquiries and requests for assistance from non-LMAC members and individuals as a result of this circulation. The Monthly Market Update consolidates statistics submitted by affiliated associations on stock-feeds, beef slaughters, live cattle sales prices, trade statistics for the different meat commodities (chicken, egg, pork and milk production) into a monthly market update on trends in prices and supply and demand. The feedback supported the resuscitation of the updates as providing relevant information.

During the Quarter HPC circulated its first issue on market trends analysis to 200 people and organizations in the horticulture CIG (Annex 4: HPC Market Analysis). HPC consolidates and analyzes horticulture market price information data from ZFU, AMA, and CFU as well eMkambo into an inter-period market trend analysis. This adds value to the periodic price information circulated by ZFU, AMA and CFU.

Initiative for Awareness and Providing Credit Referencing services Supported

At the Zim-ACP facilitated Service Provision Capacity Workshop at the Harare Agriculture Show, the Executive Director of the Bankers' Association of Zimbabwe (BAZ) challenged the farmer leaders to make their organizations credible with organizational mechanisms that would give confidence to banks to increase funding to agriculture. (Annex5: BAZ Presentation). These mechanisms include functional databases on members and applying organizational pressure on members to repay outstanding loans and for minimizing loan defaults. From the XDS presentation, the farmer leaders appreciated the operations of credit referencing and that with a clean membership database system; farmers in general would not be prejudiced and labeled by bankers as defaulters. The outcome was that ZCFU Mashonaland leaders and XDS agreed to pilot the development of credit score cards to be used for identifying and rating farmers for credit lines or schemes. Capital Bank indicated that it will use the score cards, once developed, for evaluating loan applications.

Warehouse Receipt System

On August 23, 2013, Zim-ACP hosted a Stakeholder Consultative Dialogue Workshop on WRS Operations. Twenty-three (6 female, 17 male) participants representing financial institutions, warehouse operators, grain traders, grain buyers and 30 (5 female, 25 male) participants from various government Ministries (Agriculture, Finance, Industry & Trade; Department of Research & Specialist Services, responsible for the WRS Act and Economics & Markets) attended. In his official remarks, the then Secretary for MAMID, Mr. Ngoni Masoka, disclosed that the WRS would be operating as soon as there was agreement with all stakeholders, especially the financial sector. Government's condition for the WRS

operationalization was that the smallholder farmers should participate and benefit from the WRS as they are the largest proportional producers of maize and soybean to be traded through the WRS and ACE.

The stakeholders considered the preliminary findings of the Technical and Financial Feasibility Assessment of Establishing and Operating Warehouse Receipt System (WRS) in Zimbabwe. Among the business model options, the stakeholders preferred that in the short-term the WRS be based on a non-negotiable tradable receipt as a tradable receipt would fall within the purview of the Securities Commission making it expensive for participants.

As a result of the deliberations, the MAMID co-opted five private sector representatives into a WRS Steering Committee set up by the Ministry of Agriculture to drive the re-establishment of the Agriculture Commodity Exchange and WRS. The Committee is tasked to work with the MAMID in putting into place all the requirements, including regulations, governance structure for the operationalization of the WRS and ACE.

During FY 2014, Zim-ACP will continue to support activities for raising awareness on ACE and WRS operations among farmers as well as public-private sector dialogue on best practice in the re-establishment of the ACE and WRS.

CHAPTER III: MONITORING & EVALUATIONS ACTIVITIES

3.1 ACTIVITIES UNDER M&E

Monitoring and Evaluation (M&E) effort during the reporting period was geared towards ensuring that program activities and results were tracked and timely reported for management information and decision making as well as reporting to USAID/Zim. Zim-ACP M&E data was entered and stored in TAMIS, a user-friendly, automated information management system that provides structure for organizing, planning and sharing information. TAMIS houses all program performance data and facilitates reporting on program indicators.

3.1.1 Monitoring Program Events

All program events organized by Zim-ACP during the reporting period were monitored. These events included stakeholder consultation forums, meetings, workshops and training sessions. Monitoring ensures that an attendance register is completed by all event participants and an evaluation questionnaire is applied as needed. An attendance register captures details of participants such as name, sex, organization and contact details. This record allows for tracking of the number and type of stakeholders participating. Analysis of this record allows program management to take corrective action when some key groups or sectors (women, small scale producers, industry representatives etc.) are underrepresented from events. An evaluation questionnaire is administered to get feedback from participants on the content, organisation and facilitation of the event. The data collected during event monitoring is entered in TAMIS together with a brief report giving a summary of the event and results achieved. The TAMIS meeting reports are a valuable resource during the writing of quarterly and annual progress reports. Data from the evaluation questionnaires is collated and used to produce an evaluation report for management feedback on the success or otherwise, of the event as well as for planning future events.

3.1.2 Evaluation Studies

Adoption of learned management practices

An assessment was conducted to establish the number of supported business enterprises and producer organizations applying learned management practices during the reporting period. Ten farmer unions; commodity and agribusiness associations trained in lobbying and advocacy, leadership and governance, services provision, gender mainstreaming and market analysis and voluntary standards, were assessed. The assessment was also done for six private business enterprises trained on market analysis and voluntary standards in July 2013. Six farmers unions and commodity associations (ZFU, ZCFU, DOHOPA, MAPA, FACHIG and ZWPFT), three agribusiness associations (LMAC, HPC and MABC) and four agribusiness enterprises (Surrey, Bucklesbury, Dial Honor and Fambidzanai) applied at least one of the learned management practices. Table 2.1.2 shows the management practices adopted by each of the organizations.

Impact studies

The impact of the program is assessed in terms of long term changes at the producer organizations as well as at the business enterprise level. The logic is that when producer organizations and business enterprises benefit from improved and relevant services provision as well as an improved regulatory environment and market systems, long-term positive changes will occur in terms of:

- Increased profitability of business enterprises and improved financial performance of producer organizations (ability to cover their operating costs);
- Good organizational capacity assessment (OCA) scores
- Ability of producer organizations and business enterprises to leverage resources through partnerships.

Profitability

Zim-ACP has a FY 2013 target of 410 supported business enterprises (excluding farms) and producer organizations operating more profitably (at or above cost) because of USG assistance. With the removal of subsidized cascaded training for business enterprises at the end of FY 2012, the target needed to be revised downwards to include only the 10 producer organizations that Zim-ACP supports under Component 1 and a few business enterprises receiving training on market analysis and voluntary standards under Component 3. The targets for this indicator for FY 2014 and FY 2015 have since been revised in the PMP, to take these changes into account. For the reporting period, profitability was assessed on the 10 producer organizations receiving capacity strengthening from Zim-ACP as well as the 8 business enterprises trained on market analysis and voluntary standards.

While the 8 trained business enterprises indicated that they had gained knowledge on developing a product fact sheet targeting the export of a particular product, all the trained business enterprises had not yet made any move toward exporting their products. The business enterprises indicated that they were awaiting the development of a local standard currently under discussion among SAZ, HPC, LMAC and GlobalGAP, with Zim-ACP facilitation. Business enterprises see the development of a local standard benchmarked to GlobalGAP as a necessary step for entry of their products into regional and international markets.

Assessment of profitability of producer organizations was conducted as part of a broad organizational capacity assessment covering issues of leadership and governance, service delivery, lobbying and advocacy, gender and environment integration.

Nine of the 10 assessed organizations indicated that while they benefitted immensely from capacity building by Zim-ACP in areas of website development, hand holding on linkage with service providers, training on leadership and governance, lobbying and advocacy, gender and environmental mainstreaming; they were still operating below the level of operational self-sufficiency. (Operational self-sufficiency is defined as the margin, positive or negative, of recurring revenues above/below operating expenses (salaries, rent, utilities, supplies, all consumables). Table 3.1.1 shows that most of the organizations are struggling with raising revenues for operating expenses. Only MPPA was able to meet its operating expenses from membership fees.

Table3.1.1: Status of organizations on covering their operating expenses

Organization	Ability to cover operating costs
ZFU	Using obsolete computer equipment; staff remuneration low and intermittent
ZCFU	Using obsolete computer equipment; failing to retain staff in key provincial positions due to low and sometimes no remuneration. Repairs and maintenance of equipment not done
LMAC	Yet to take over from Zim-ACP responsibility for the salary of a senior economist providing a valuable service to the organization on evidence gathering and analysis for advocacy initiatives.
HPC	Yet to take over from Zim-ACP responsibility for the salary of a senior agriculturalist providing valuable service to the organization on evidence gathering and analysis for advocacy
FACHIG	Organization is 99 percent dependent on donor support (particularly for financing its technical unit). This affects organizational independence as it has to respond to donor dictates and agenda instead of setting its own. Dependence on donor support tends to make the organization weak whenever donor support is not forthcoming. An initiative to get groups and associations at local levels to collect membership fees and channel a small proportion of the funds up the organizational structures to cover expenses at those levels, is yet to bear fruit
MABC	Organization engaged in discussions to charge membership fees. Organization was not charging fees all along and therefore was not generating income. Member organizations have only been paying to participate in meetings organized by MABC.
ZWPFT	Planning to substantially increase membership fees to improve the financial situation. Have broken down computers. Totally reliant on volunteer staff to run the organization
DOHOPA	An appendage of ZFU. Has no equipment such as computers or smart phones to directly benefit from ICT to service members. Membership fees collected not enough to cover travel expenses of management committee to attend meetings
MAPA	An appendage of ZFU. Has no equipment such as computers or smart phones to directly benefit from ICT to service members. Membership fees collected are not enough to cover travel expenses of management committee to attend meetings

Organizational Capacity Assessment scores

Partner organizations were assessed and scored using a USAID Organizational Capacity Assessment Tool. The assessment looked at effectiveness of ACP in strengthening farmer unions, commodity and agribusiness associations. The assessment covered the following key capacity areas: governance; secretariat management; human resources management; financial management; membership management; service delivery; lobbying and advocacy; gender and environmental integration. This was the third year of the assessment for most of the organizations except MABC and MPPA which Zim-ACP started working with in FY 2012.

Annex 6 presents the results of the assessment and comparison between FY 2013 to FY 2012 and FY 2011. Generally, organizations have continued to show an improved performance year after year. Comparing FY 2013 and FY 2012 MAPA and DOHOPA have shown greatest improvement in their average scores (at 70 and 38 percent, respectively) compared to ZFU and ZCFU at 11 and six percent, respectively. Most of the organizations (except ZWPFT, ZCFU and MABC) are sitting in the 2-2.9, expanding stage. This means that the organization has a track record of achievement; its work is recognized by its stakeholders, the government, other sectors, and other organizations active in the same

sector. The organization has structures that are functioning well. These are the organizations that Zim-ACP should directly support and prioritize in the final lap of the program. The work would be aimed at improving components that are lagging behind and turning the organization into a full functionality and sustainability. As an example, while LMAC scored well on governance, membership services and lobbying and advocacy, their major area of weakness is gender and environmental integration. The strategy with LMAC would be to move the organization towards sustainability on components that it's doing well in and strengthening the organization on gender and environmental mainstreaming. Gender mainstreaming is also an area of weakness for MPPA.

While MABC does not make it into the 2-2.9 expanding stage, Zim-ACP may need to take a strategic decision to continue supporting the organization on the grounds that it:

- is a relatively new organization with great potential
- represents a wide range of stakeholders in Matabeleland region
- represents a substantial proportion of the meat and livestock value chain players.

In the remaining period, stakeholder organizations need to take advantage of the exposure they have received from Zim-ACP to take forward and implement the action plans they developed during leadership training. Key activities to implement include:

- Brokering services for members and non-members. The organization stands to generate income from brokering the service as well as benefit from increased membership (attracted by service provision)
- Clean house; be credible organizations and leaders that the market can take seriously and want to do business with; take responsibility for weeding out serial defaulters from amongst their members
- Relooking at the quantum of fees charged in relation to the costs associated with service delivery and ensuring there is a correlation between the two.

MPPA is a shining example of an organization with all three criteria in place. MPPA delivers a valuable service of linking members to a broiler markets. All its 173 members are fully paid up on their obligatory \$200 membership fees each. MPPA is engaged in discussions with members to introduce a three percent levy on products sold through the association. Funds raised from membership fees were channelled towards purchase of land for business premises, with plans already underway to construct a poultry abattoir.

In the remaining period, Zim-ACP needs to ensure that

- organizational databases and websites are in place and fully functional with organizations utilizing them for their benefit;
- LMAC and HPC see great value in the technical assistance provided by Zim-ACP and undertook to take over responsibility for financing the staff positions;. An exit strategy adopted is for LMAC and HPC to take over the payment of the Program and Stakeholder Support Assistant with effect from 1st January 2014.
- mentor organizational leadership to be innovative in resource mobilization for continued survival;
- share the MPPA success story with other partner organizations.

Of the 10 producer organizations that Zim-ACP is supporting, none is able to fully cover its operating costs, yet. Established organizations such as ZFU, ZCFU and FACHIG are struggling to meet salary expenses of their employees. Repairs and maintenance of equipment such as photocopiers, and information and communication technology such as internet and email has been allowed to lapse. LMAC and HPC are receiving support from Zim-ACP in the form of salaries for technical staff required for effective delivery of much-needed services to members. In the next quarter Zim-ACP will assist producer organizations to deliver demanded services on a commercial basis to members and non members, to

generate income, hence contributing to the financial stability of each organization. Development of an organizational website during the reporting period is envisaged to contribute towards financial stability of the organizations through advertising revenue.

Value of Resources Leveraged Through Partnerships

During the reporting period Zim-ACP tracked the resources leveraged by partner organisations and supported business enterprises through relationships with agribusinesses, agribusiness service providers, NGOs etc. This is a project impact indicator looking at the ability of a producer organization or business enterprise to attract resources (credit or grant) as a result of working with Zim-ACP. The data for this indicator was collected from the 10 producer organizations that Zim-ACP is working with, (ZFU, ZCFU, FACHIG, ZWPFT, LMAC, HPC, DOHOPA, MAPA, MABC, CFU), as well as 5,347 business enterprises (including farms) that received Zim-ACP support in August 2013. A survey was conducted on the 5,347 business enterprises by trained enumerators with the aid of a short questionnaire (Annex 7). Forty eight percent of the interviews were returned. The value of resources reported as leveraged during the reporting period is \$9,771. FACHIG also managed to leverage \$130,000 from EU to fund activities in Mashonaland Central. Types of resources leveraged include agricultural inputs and credit funds. Sources include input suppliers, financial institutions, NGOs and individuals. The 2013 target for value of resources leveraged through partnerships is \$150,000.

CHAPTER IV: ENVIRONMENTAL ISSUES

The Zim-ACP Environmental Mitigation and Monitoring Plan identified activities on policy and regulatory review as requiring mitigation measures to minimize adverse impacts on the environment. Environmental mitigation measures agreed for Zim-ACP include:

- Creating awareness on environmental issues among producer organization leadership and management including environmental management obligations under Zimbabwean law
- Ensuring that consultants engaged to conduct research and analysis of proposed regulatory reforms include an analysis of the possible environmental effects and recommendations to mitigate these impacts

Environment Awareness Activities

During the reporting period 145 leaders and management (96 male, 49 female) of partner organizations (ZFU, ZCFU, FACHIG, MPPA and tree crops associations) were trained on environmental issues. Zim-ACP took advantage of scheduled leadership training workshops in Marondera, Bindura, Mutare and Chinhoyi and invited Environmental Management Agency (EMA) to present on environmental awareness.

EMA is a statutory body under Ministry of Environment and Natural Resources Management with a mandate to oversee the sustainable management of natural resources, protection of the environment and prevention of pollution and land degradation. EMA focuses on environmental protection through education and awareness as well as law enforcement and monitoring.

The presentations delivered by EMA covered the role of farmer leaders in environmental management; environment regulations of Zimbabwe related to the agriculture sector; and raising awareness on environmental protection.

At the end of the workshops, partner organizations came up with action plans that included implementing an environmental strategy. Some of the actions the leaders committed to were collaborating with Forestry Commission to embark on reforestation and afforestation, forming fire fighting teams in their communities, inviting EMA training officers in their wards to educate farmers against starting veld fires, cutting down trees, water reservoirs management and sand extraction among other bad practices.

The Environmental Management Act and its Statutory Instruments related to agriculture sector were explained in detail to the leaders. Farmer leaders were urged to pass on the information to members and encourage them to adhere to environmental regulations to conserve the environment for future generations and avoid punitive action being taken against them.

Environment Integration in Regulatory Review

In regulatory review, Zim-ACP conducted stakeholder consultations nationwide on the Cost of Complying with Regulations in the livestock sector during the reporting period. Among the regulations under review is the Environment Management Act. Below are the regulations pertaining to environment that were analyzed and presented for stakeholder consultation:

1. Environmental Management (Hazardous Substances, Pesticides and Other Toxic Substances) Regulations, 2011, which overprescribes on hazardous waste and other toxic substances right down to some substances that are used in the day to day activities at a farm, for example, a farmer pays a levy of \$200 for storage of a minimum of 200 litres of fuel at a farm. Fuel is in the definition of hazardous but this becomes punitive on farmers who are usually located in rural districts far from urban sources of fuel and usually have to store large quantities of fuel to operate machinery and for transportation of produce. The recommendation would be for EMA to exclude fuel from the definition of hazardous substances.
2. Environmental Management (Atmospheric Pollution Control) Regulations, 2009. This regulation needs streamlining, to be made sensible and offenses categorized in order to penalize polluters and not all discharge into the atmosphere. EMA has no resources to carry out tests in order to determine the extent, if any, of pollution into the atmosphere. It therefore gives categories of pollution with different levies attached to them. The Blue licence, the green, the yellow and the red as increasing levels of pollution with increasing levies attached to them. Before EMA determines in which category an emitter into the atmosphere, the emitter is automatically classified in category yellow, which is the second worst polluter and has a high levy. This is for any emission into the atmosphere including dairy farmers who claim in the stakeholder meetings we have undertaken to emit only steam into the atmosphere. The recommendation is that if EMA has no resources to expediently test the emissions and therefore determine the level of pollution, then EMA should have no legal basis to regulate on that subject unless they are now able to justify the penalties. The law should be clear and specific, especially in terms of offences and penalties.
3. Environmental Management (Hazardous Substances, Pesticides and Other Toxic Substances), 2009. as in 1. above
4. Environmental Management (Hazardous Waste Management) Regulations, 2007. As in 1. above
5. Environmental Management (Environmental Impact Assessment and Ecosystems Protection) Regulations, 2007. EMA requires farmers to carry out environmental impact assessments but this requires consultants who require to be paid by the farmer and the approval process by EMA also needs a fee. The cost build up with other costs the farmer has to make and the inaccessibility of EMA offices in rural districts where most farmers are found negate the goal of the EIA. While the EIA should educate the farmer on how to mitigate environmental damage and degradation, this is not being done as most small scale farmers dodge the process as to avoid paying. . It is recommended that EMA adopts a friendlier approach to educate farmers and campaign for their cooperation by reducing the costs of the EIA's and training farmers on the benefits to the farmer of compliance.
6. Environmental Management (Effluent and Solid Waste Disposal) Regulations, 2007 as in 2.

Stakeholders endorsed that environmental statutes are overlapping and replicated in some agriculture sector regulations so need to be harmonized. They also indicated that the level of fines for non-compliance (level fourteen) which attract a fine of \$5000 are too high compared to other regulations and therefore producers need to advocate for fee structure and charges review.

Environment Integration in Studies

During the reporting period, Zim-ACP ensured that terms of reference for consultants engaged to do policy or regulatory review included conducting environmental analysis of the proposed policy or regulation. Some of the studies completed during the reporting period include assessments of Warehouse Receipt System, Costs and Benefits of Botswana Live Cattle Imports to Zimbabwe and Cost of Compliance with Regulations in the Livestock Sector. The Warehouse Receipt System Study, recommended the adoption of standards for commodities to be traded. The standards will among other components promote best environmental management practices to be adopted by farmers in production of the commodities. The same study also indicated the importance of protecting stored commodities from fire which is a deadly environmental hazard.

The Costs and Benefits of Botswana Live Cattle Imports to Zimbabwe Study looked into the human health concerns of consumers. Some consumers speculated that the meat from Botswana cattle may not qualify as safe food given that the animals were to be sourced from Foot and Mouth Disease affected areas. The study recommended that Zimbabwe needs to keep the dream of participating in beef export markets in the future alive by ensuring that international requirements of supplying safe food are always met.

An organizational capacity assessment conducted during the reporting period included analysis of partner organizations' ability to integrate environmental issues in their work. Of the 10 partner organizations assessed, four (ZFU, DOHOPA, HPC, MPPA) indicated that they have environmental strategies that they are implementing. A number of partner organizations are involved in programs to promote environmental protection which include:

- Tree planting;
- Proper disposal of animal waste;
- Fire guard preparation, fire fighting;
- Controlled use of wetlands;
- Educating members on climate change mitigation strategies; and
- Conducting Environmental Impact Assessments before implementing projects with potential to harm the environment.

Most of these environmental protection initiatives were carried out in collaborating with various stakeholders -EMA, AGRITEX, Ministry of Energy, Forestry Commission and ZRP to achieve this.

CHAPTER V: GENDER ISSUES

Zim-ACP aims to mainstream gender through ensuring that both females and males participate in program activities; their voices are heard and their concerns are taken on board in the regulatory reform processes; in assessment and development of needed market institutions/systems; and in training and capacity building activities. Zim-ACP's objective is to capacity-build partner organizations to strive towards gender equality and female empowerment as they work towards building a competitive agriculture private sector. Zim-ACP recognizes gender equality as a fundamental human right and key to effective and sustainable economic development.

Gender training for leaders

During the reporting period 298 leaders and focal persons (122 female, 176 male) from ZFU, ZCFU, tree crops, FACHIG and ZWPFT were trained on Gender Mainstreaming. In Mashonaland West, an intensive gender training was run for ZFU leadership drawn from ward, district and provincial level. Subsequent gender training was delivered as a module in a leadership training course that also covered lobbying and advocacy, services provision and governance. A strategic decision was taken to combine the four leadership training modules and aim at grooming wholesome leaders. The consultant made use of the Zim-ACP Gender Mainstreaming Manual to facilitate various topics including:

- understanding gender
- gender analysis
- gender mainstreaming
- monitoring, evaluation & reporting gender
- power relations
- gender in agribusiness
- gender & advocacy.

The training was very practical and dealt with real-life issues affecting associations including:

- Lack of gender policies by some organizations and or failure to implement gender policies where they exist;
- Women's lack of self esteem, pride and jealousy that were highlighted as weaknesses of women;
- Lack of self confidence by women resulting in them being hesitant to make contributions in meetings;
- Low participation of female young farmer leaders in Young Farmers Club committees;
- High illiteracy among women and tending to use this as an excuse to decline positions when they are elected to be leaders; and
- Women fear for their marriages and therefore decline leadership positions that take them to meetings away from their homes.

Leaders developed action plans to provide feedback to their districts and provinces on gender issues. Some of the key take home messages by the leadership include:

- Farmers are not to be treated as a homogenous group. Whenever possible, seek to identify the needs of male and female farmers. Do not assume the needs are the same.
- Services to farmers should consider men and women's unique backgrounds and experiences (including different educational levels, differential access and ownership of resources such as land and equipment).
- When lobbying for services with agro-dealers, lobby for gender sensitive services, e.g. design of equipment should consider physical strength required to use the equipment, dress code for men and women and the social roles for men and women.
- Development of technology should help save on time constraints which are especially difficult on women due to their role as primary caregivers.
- Unique experiences and differences between males and females in terms of their roles justify representation in union/association leadership so that the unique needs are articulated from people with the lived experiences
- Leaders need to ensure they have gender disaggregated databases for use when seeking services for farmers.
- Gender disaggregated databases are also important to show who has benefitted more from a service provided and use information to address gender gaps in service provision

To help trained leadership to mainstream gender in their organizations, the gender consultant will conduct the following follow up activities:

- Offer technical assistance to organizational leadership to develop gender policies;
- Strengthening of women's structures in organizations where these exist. Women's wings are seen as important as they can serve as an entry point for gender mainstreaming and women empowerment;
- Develop and support a Grooming and Sisterhood Program for female leaders that will be cascaded to female farmers through the women's structures. This can be done through working with active female leaders who act as Women Empowerment Champions.
- Support a mentorship program for female young farmer leaders through an identified role model in the community who can also be a Women Empowerment Champion.

Gender mainstreaming in program activities

Zim-ACP aims to contribute towards gender equality by encouraging the involvement of both men and women in the program at various levels; as participants in training courses, meetings, workshops and discussion forums; and as presenters, facilitators or researchers. Table 2.1.1 shows that on average, 38 percent of participants in workshops organized during Quarter four were women. Zim-ACP will continue making an effort to encourage the constitutional 50:50 representation of men and women in decision making.

In inviting men and women to participate in events, Zim-ACP worked closely with associations to ensure that they invited, not only a balance of men and women to events, but knowledgeable and confident men and women who were able to articulate their constituencies' issues and were able to report back on matters discussed.

ACP recruitment exercises conducted during the quarter, including researchers, workshop facilitators or fulltime positions were openly advertised to ensure equal opportunities for qualified men and women. The selection and short-listing process ensured a balance of qualified men and women.

All SOWs for consultancy services conducted during the quarter compelled the consultant to ensure gender issues were considered throughout their work. This includes ensuring participation of men and women in providing information for the study, presenting sex disaggregated data etc.

During the reporting period, Zim-ACP ensured that terms of reference for consultants engaged to do policy or regulatory review included mainstreaming gender in the analysis of proposed policies or regulations. Some of the studies completed during the reporting period include assessments of Warehouse Receipt System and Cost of Compliance with Regulations in the Livestock Sector. The consultants ensured that both male and female perspectives were considered by having both sexes participate in interviews, group discussions and feedback meetings.

Analysis of indicator achievement

Table 3.4.2 presents an analysis of indicator achievement for the year to September 2013. Zim-ACP performed well against most indicator targets. Out of 13 targets ACP greatly outperformed in seven, somewhat under performed in three, and under performed in three. Table 3.4.2 attempts to explain the reasons for deviation from set targets.

Table 3.4 .2: Analysis of indicator target achievement

Indicator Summary	Year 3 Target		Actual for Quarter 4		Year 3 Actual		Comment on indicator achievement to date
4.5.2-43 Number of firms (excluding farms) or Civil Society Organizations (CSOs) engaged in agricultural and food security-related manufacturing and services now operating more profitably (at or above cost) because of USG assistance	410		1		251		Target was under-achieved by 39%. 2013 target needed to have been revised downwards to 18, when subsidized cascaded training ended in FY 2012. Target should refer to CSOs and business enterprises getting direct support from Zim-ACP. However only one of the 18 organizations is profitable. Organizations are yet to adopt serious income-earning strategies
ACP 1 Value of resources leveraged through partnerships with agribusinesses, agribusiness service providers, NGOs etc	\$150,000		\$139,771		\$512,003		Annual target surpassed by 366 percent because of a significant and unanticipated windfall to ZFU during Q1 and to FACHIG in Q4.
4. 5.1-24 Number of Policies/Regulations/ Administrative Procedures in each of the following stages of development as a result of USG assistance in each case: Stage 1: Analyzed Stage 2: Drafted and presented for public/stakeholder consultation Stage 3: Presented for legislation/decreed Stage 4: Passed/approved Stage 5: Passed for which implementation has begun	Stage 1	20	Stage 1	0	Stage 1	0	Annual target surpassed. 24 regulations were analyzed and moved on to stage 2 in FY 2013. .
	Stage 2	12	Stage 2	14	Stage 2	14	Annual target surpassed.
	Stage 3	8	Stage 3	2	Stage 3	7	Annual target surpassed. 10 regulations presented for legislation with three moved on to stage 5

	Stage 4	3	Stage 4	0	Stage 4	0	Annual target met. Three regulations passed and moved to stage 5.
	Stage 5	4	Stage 5	0	Stage 5	3	Target under-achieved by 25 percent. Only three regulations were passed
ACP 5 Representative bodies of farmers and agribusinesses and commodity associations effectively advocating in public forums and Parliamentary committee meetings	85		14		86		Target met.
ACP 2 Improvement in services to members by representative bodies of farmers, commodity associations and agribusiness organizations (as measured by increase in new members and retention of current members)	276,000		2,427		10,406		Target under-achieved Baseline and targets set, based on documented members which include paid-up and none paid-up members. Following advice, actual figures are based on paid-up members. The low 'actual' reflects failure to collect membership fees by producer organizations. Membership figures are expected to increase significantly in FY 2014 when producer organizations deliver services following extensive capacity building by Zim-ACP in FY 2013.
4.5.2-37 Number of micro, small and medium enterprises receiving business development services from USG assisted sources	4,000		354		4,174		Target surpassed

4.5.2-28 Number of private enterprises, producer organizations, water users' associations, women's groups, trade and business associations and community-based organizations that applied new technologies or management practices as a result of USG assistance	50	10	40	Target under-achieved by 20 %. Budget limitations affected planned support to private training institutions and accredited trainers Original target set anticipating to capacity build BSPs and BDSPs and then follow-up on adoption.
ACP 3 Number of Clients reached by market facilitation institutions/systems supported by USG assistance	625	550	550	Target under achieved by 12 percent Market information systems in the horticulture and livestock sectors fully functional and reaching out to clients. WRS and local standards yet to be developed
4.5.2-11 Number of food security private enterprises (for profit), producers organizations, water users' associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	50	19	23	Target under achieved by 54 %. Budget limitations affected planned support to private training institutions and accredited trainers
4.5.2-7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	120	356	573	Target over achieved by 377 %. Remarkable achievement for the year. The set target has been surpassed due to increased efforts to capacity-build producer organizations on leadership and governance, lobbying and advocacy, gender mainstreaming and services provision.

<p>ACP 4 Number of market facilitation institutions/systems that, as a result of USG assistance are in each of the following stages: Stage 1: Undergoing capacity/competency assessment; Stage 2: Undertaking capacity/competency strengthening; Stage 3: Functional</p>	Stage 1	4	Stage 1	1	Stage 1	2	<p>Target under achieved by 50 percent.</p> <p>Standards and warehouse receipt system analyzed in the year. Analysis of commodity exchange and credit referencing and rating system set aside due to changed circumstances</p>
	Stage 2	3	Stage 2	1	Stage 2	2	<p>Target under achieved by 33 percent</p> <p>Warehouse receipt system not strengthened due to a need for extensive stakeholder consultation and endorsement</p>
	Stage 3	3	Stage 3	1	Stage 3	1	<p>Target under achieved by 67 percent</p> <p>Anticipated strengthening of commodity exchange, credit referencing and rating system and warehouse receipt system did not materialize</p>

CHAPTER VI: NETWORKING AND COLLABORATION

Zim-ACP collaborated effectively with USAID/SERA and USAID/Zim-AEID.

- SERA COP addressed 300 participants at the 2013 SMA/PAZ/PPAZ Annual Joint Symposium on the importance and role of open trade for competitiveness. There was general understanding that protectionist interventions were not desirable as they tended to protect less efficient and competitive producers and firms which disadvantaged consumers in the domestic markets.
- Through Zim-ACP's assistance, DOHOPA obtained audience with Zim-AEID DCOP resulting in Zim-AEID staff visiting DOHOPA to explore possible collaboration opportunities. Zim-AEID staff was part of the DOHOPA/ZFU delegation that discussed out-grower production and market arrangements with Lonrho-Agribusiness on 23rd September, 2013. Zim-AEID advised on technical training needed for the out-growers to meet quality and volumes requirements.

CHAPTER VII: CONCLUSION

6.1 LESSONS LEARNED

The following are lessons arising for the activities in Y3.

Unions' such as ZFU have lengthy bureaucratic procedures that serve to demoralize members and deter them from acting promptly on issues like service provision. Due to this cumbersome bureaucratic process, Zim-ACP's capacity building efforts supporting the organizations to review and change the structure to improve on governance and flow of feedback information are still to be bear fruit. As a result, Zim-ACP adopted a strategy to work and build the leadership skills of District and Provincial leaders so that they would drive the transformation process.

Commodity associations such as the Manicaland Poultry Producers Association managed to secure MOUs and provide services to their members in a shorter space of time due to the size of the organization coupled with enthusiasm and determination of the leadership who have direct interest in the services. Long established and bigger organizations are hampered from acting promptly by lengthy bureaucratic procedures.

There is information asymmetry in terms of organizational policy particularly in the case of ZFU; members at provincial and district level were unaware that they had a gender policy indicating that the policy was drafted at head office and not disseminated from the apex.

The ushering of the new Deputy Ministers and Secretary for MAMID might present opportunities for improved relations between the private and public sectors. The performance driven results oriented new deputy ministers might push the Ministry to be proactive in solving issues affecting the enabling environment in the agriculture sector.

Business service providers, such as XDS and Capital Bank, are keen to offer services to farmers. But the demand for services needed is not adequately articulated by the farmers' organizations. As a result Zim-ACP capacity building efforts during the years focused on acquainting leaders on skills to identify and articulate services need of members and for engaging services providers offering the required services

6.2 CHALLENGES UNDER COMPONENT ONE

Unions and the agribusiness representative bodies have financial challenges. They do not have adequate operating budgets to implement their own program activities. Unions are failing to pay salaries regularly. As a result staff preferred to go to meetings or activities that pay some allowance and are generally not that committed to activities that do not bring in resources. There is constant turnover of staff especially at ZCFU, ZWPSSFT. As a result Unions sometimes forward people who have little knowledge or influence over certain issues to attend workshops. In some cases, particularly with ZFU, farmers' organizations do not send knowledgeable people to stakeholder meetings, or if they do, little or no action is taken in response to the outcome of the meetings. This gives the impression that farmers' organizations do not participate adequately in policy forums.

Smaller organizations such as DOHOPA, MAPA, MPPA and to some extent MABC have been vibrant in seeking and adopting Zim-ACP technical advice. However, they remain vulnerable as they rely on one or two members as drivers of their activities. The leadership capacity building workshops have assisted these organizations to consider or come up with success plans.

Elections generally disrupted the working environment as some capacity building workshops meant to be held at provinces were stopped because of the fear to hold gatherings lest they be seen as political rallies. This was mainly observed in Mashonaland Central where FACHIG is based.

Service Providers are generally struggling in terms of financing their businesses and when farmer unions' broker contracts for services for example at marketing or for production: they have a hard time fulfilling orders.

The development and establishment of websites and membership data has been slowed by outdated computers at partners' organizations. Unless they receive donor funding, the organizations do not invest in such critical administrative infrastructure.

6.3 CHALLENGES UNDER COMPONENT TWO

The challenges for Component 2 stem from the fact that the majority of the market facilitation institutions are under the public sector authorities. Government has not invested much in revamping the operations of these organizations. Farmers' organizations have had little influence on the operations of these public sector organizations. The service provision and business linkage capacity building held in conjunction with the Harare Agricultural Show revealed that the farmers' organizations are not adequately informed of the market facilitation services offered by the public sector agency including the regulatory agencies. As a result the farmers' organizations have been failing to articulate the farmers' needs. In coming quarters, FY2014, Zim-ACP will work with the farmers' organizations to increase their awareness of the services so that they are empowered to demand these services.

CHAPTER VIII: FINANCE AND ADMINISTRATION

Zim-ACP operated smoothly throughout the year. Activities were a bit slow during the months of January to April 2013. This was due to the uncertainty prevailing during this period due to the pending elections whose dates then continued to be speculated upon and only to be set sometime in April 2013. The elections were eventually held on July 31, 2013.

In April 2013, USAID advised the project that Zim-ACP's budget was most likely to be cut further and this resulted in management implementing a stricter budget management system by way of streamlining activities whilst at the same time striving to achieve the expected results.

The year two finance and administration highlights for the USAID Zim-ACP include:

- Timely submission and approval of financial reporting deliverables to USAID on a quarterly basis (Accruals Report & Quarterly Progress Reports).
- Continuous training and staff development in the areas of finance, procurement, operations and administration of the Zim-ACP program, emphasized and implemented throughout the year.
- A revised budget based on a 36% estimate budget reduction from the original Task Order was submitted to USAID

Summary of Financial Reporting for Year 3 (October 2012 to September 2013)

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Year Three Monthly Invoiced Costs

ANNEXES

(Annexes are provided as separate attachments to this report)

Annex 1: Meetings and Public Forums were Stakeholder Organizations actively advocated on behalf of their members

Annex 2: Policies/Regulations/Administrative Procedure Reviewed in 2013

Annex 3: Livestock Sector Market Guide

Annex 4: Horticulture Sector Market Guide

Annex 5: BAZ Presentation

Annex 6: Organizational Capacity Assessment Scores

Annex 7: Value of resources leveraged Interview Questionnaire

Annex 8: FTFMS