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# ZIMBABWE AGRICULTURAL COMPETITIVENESS PROGRAM

FIRST QUARTERLY PROGRESS REPORT, YEAR THREE  
(OCT – DEC 2012)

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(OCT – DEC 2012)**

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# ACRONYMS

AFWG	Agriculture Finance Working Group
AGRIBANK	Agricultural Bank of Zimbabwe
AGRITEX	Agricultural Technical and Extension Services
AMA	Agricultural Marketing Authority of Zimbabwe
ARC	Agriculture Research Council
BSP	Business Service Providers
BDSPS	Business Development Service Providers
CA	Commodity Association
CAADP	Comprehensive Africa Agricultural Development Program
CALR	Centre for Applied Legal Research
CBO	Community Based Organization
CBZ	Commercial Bank of Zimbabwe
CFU	Commercial Farmers Union
CGA	Cotton Ginners Association
CIBER	Competitiveness Impacts of Business Environment Reform
CIG	Commodity Industry Group
COMESA	Common Market for Eastern and Southern Africa
COMEZ	Commodity Exchange in Zimbabwe
COP	Chief of Party
COTR	Contracting Officer's Technical Representative
CNFA	Citizens Network for Foreign Affairs
CSO	Civil Society Organizations
CZI	Confederation of Zimbabwe Industries
DA	District Administrator
DAI	Development Alternatives Inc.
DCOP	Deputy Chief of Party
DOHOPA	Domboshawa Horticulture Producers Association
DR&SS	Department of Research & Specialist Services
DVS	Department of Veterinary Services
EMA	Environmental Management Agency
EMCOZ	Employers Confederation of Zimbabwe
EOI	Expression of Interest
FaaB	Farming as a Business
FaaFB	Farming as a Family Business
FACHIG	Farmers' Association for Community Self-Help Investment Groups
FANRPAN	Food, Agriculture and Natural Resources Policy Analysis Network
FAO	Food and Agriculture Organization
FBC	Financial Bank of Zimbabwe
FCPA	Federated Cotton Producers & Marketers Association
FTFMS	Feed the Future Monitoring System
FY	Financial Year
GALS	Gender Action Learning Systems
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Development Services)
GMAZ	Grain Millers Association of Zimbabwe

GMO	Genetically Modified Foods
GOZ	Government of Zimbabwe
HPC	Horticulture Promotion Council
IFPRI	International Food Policy Research
LFCE	Land Fortunes Commodity Exchange
LMAC	Livestock & Meat Advisory Council
LOE	Level of Effort
LOL	Land O' Lakes
LTTA	Long Term Technical Assistance
MAPA	Murehwa Agricultural Producers Association
MAMID	Ministry of Agriculture, Mechanization & Irrigation Development
M&E	Monitoring and Evaluation
MLA	Market Linkages Association
MoU	Memorandum of Understanding
MTP	Medium Term Plan
MWAGCD	Ministry of Women Affairs, Gender & Community Development
NACSCUZ	National Association of Cooperative Savings and Credit Unions of Zimbabwe
NADF	National Association of Dairy Farmers
NGO	Non Governmental Organization
NPPA	National Potato Producers Association
NUST	National University of Science & Technology
PAPST	Public Affairs & Parliamentary Support Trust
PMP	Project Monitoring Plan
PO	Purchase Order
POL	Point of Lay
PPAZ	Pig Producers Association
RIA	Regulatory Impact Analysis
RDC	Rural District Councils
SADC	Southern Africa Development Community
SAPST	Southern Africa Parliamentary Support Trust
SATH	SADC - Trade Hub
SAZ	Standards Association of Zimbabwe
SHDF	Self Help Development Foundation
SI	Statutory Instrument
SIRDC	Scientific and Industrial Research and Development Centre
SMA	Stockfeed Manufacturers Association
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
UZ	University of Zimbabwe
WABAZ	Women's Alliance for Business Associations in Zimbabwe
WAM	Weekly Activities Meeting
WILSA	Women and Law in Southern Africa
ZAA	Zimbabwe Abattoirs Association
ZADT	Zimbabwe Agricultural Development Trust
ZAMFI	Zimbabwe Association of Micro-Finance Institutions

ZCFU	Zimbabwe Commercial Farmers Union
ZEPARU	Zimbabwe Economic Policy Analysis and Research Unit
ZESA	Zimbabwe Electricity Supply Authority
ZETDRA	Zimbabwe Electricity Transmission & Distribution Regulatory Authority
ZFU	Zimbabwe Farmers Union
ZNFU	Zimbabwe National Farmers' Union
ZIM-ACP	Zimbabwe Agricultural Competitiveness Program
ZIM AIED	Zimbabwe Agricultural Income and Employment Development Program
ZINWA	Zimbabwe National Water Authority
ZNCC	Zimbabwe National Chamber of Commerce
ZPA	Zimbabwe Poultry Association
ZWPFT	Zimbabwe Women Poultry & Small Stock Farmers Trust
ZWLA	Zimbabwe Women Lawyers Association
ZWRCN	Zimbabwe Women's Resource Centre and Network



# CHAPTER I: HIGHLIGHTS AND OPERATING ENVIRONMENT

## 1.1 HIGHLIGHTS

### **Performance in Reaching Targets**

Zim-ACP performed well against most of its indicator targets. (See analysis of indicator targets achievement in table 3.4.2). Out of 13 targets the project outperformed in eight and is working towards meeting targets in five. Zim-ACP expects to meet the annual targets set for number of producer organizations supported; profitability of firms and CSOs; value of resources leveraged by supported firms and producer organizations; regulatory reforms and gender awareness. Zim-ACP is also working on several initiatives to revamp market institutions and infrastructure leading to an increase in the client coverage.

In this quarter ACP held or promoted 16 formal meetings, conferences and workshops supporting the meeting of program objectives and indicators. In these events there were 405 total participants of whom 33% were women, 67% were men and 22% were government employees.

### **Farmer Representative Unions/Associations and Clusters/CIGs' Advances in Competence to Represent Members**

**General:** On November 1 and 15 the Zim-ACP team conducted FY2013 planning sessions with thirteen (13) partner organizations that represent members. It was recognized that ability to advocate rests not only on technical capacity to do so but also on adequate organizational and financial platforms. Therefore, Zim-ACP proposed TA on membership renewal, (recruitment, retention, dues collections, involvement, services), and training in leadership and governance, which was well received as were the collateral TAs in website design and review of demand for services by members. During the quarter the relevant SOWs were finished and sent to USAID for approval with work in these areas planned for the next quarter.

**Zimbabwe Women Poultry and Small Stock Farmers Trust (ZWPFT):** One hundred (100) stakeholders attended the first annual conference of the ZWPFT. The conference increased ZWPFT's capacity to deal with member constraints and to cause potential solutions to be generated and to advocate to government. Identified constraints to small and medium producers' business include access to finance high costs of day-old chicks and feed vis-à-vis sales prices, untenable slaughter options and costs, marketing and knowledge of standards and business skills. Additionally, the proposed AMA statutory instrument to levy and oversee the poultry industry requires further dialogue with the AMA to renegotiate its adoption. Strategies to confront these constraints were discussed and action plans will be developed in the next quarter. Zim-ACP gave a big boost to the success of this forum by working with the trust on defining objectives and agenda and on supporting the attendance of small poultry farmers.

**Domboshawa Horticulture Producers Association (DOHOPA):** With ongoing organizational, strategy and action plan support from Zim-ACP, DOHOPA, as part of member growth and risk reduction diversification strategy, fostered interest with Dr. Hen (a day-old chick and poultry TA supplier), and financiers Big Grape, MicroKing and the ZADT, with the outcomes during this period of an agreement with Dr. Hen to provide technical assistance to 300 members to increase broiler cycle outputs to between

2 and 3 thousand birds each, while Big Grape agreed to a pilot loan plan with up to 50 members for henhouse construction costs. Zim-ACP is to evaluate the anticipated profitability of taking the loans vs. anticipated income and expenses. Furthermore, future collaboration by Zim-ACP with Zim-AIED in poultry can be anticipated now that TNS has finished in this subsector.

**Zimbabwe Commercial Farmers Union (ZCFU):** Ongoing Zim-ACP support and guidance to the ZCFU resulted in new leadership elected and a strategy of provincial autonomy last year. The new President and VP have both had strategic and action plan training prior to elections under Zim-ACP. During the past quarter ZCFU President, Chabikwa travelled to a USAID/Zim-ACP-funded advocacy training and issues verification workshop and lauded our role in helping ZCFU establish financial sustainability.

**Zimbabwe Farmers Union (ZFU):** During this quarter, ZFU participated in provincial level sessions on practical advocacy training and animal health reform verification training. At the Masvingo workshop the ZFU president, Silas Hungwe strongly supported the value of advocacy and increased member involvement.

**Moving from study to action:** Great strides were made in using our competitiveness and CIBER studies as evidence-based action and PPD agendas:

- LMAC had an active lobbying and private-public dialogue quarter and presented pre-budget proposals to both the Ministry of Finance and the Parliamentary Committee. They briefed the new Director of Economics and Markets at the Ministry of Agriculture, and met with the Department of Livestock and Veterinary Services (DLVS) regarding undocumented meat imports, bypassing health checks, statistics and taxes. Arising from these efforts, the 2013 Budget stipulated that VAT on soya meal and live chickens be removed, and the DLVS made a general advisory that illegal meat importers would be prosecuted.
- HPC, with Zim-ACP assistance, held a strategy workshop to determine client needs. Action plans going forward for HPC will include standards training for emergent farmers.
- Zim-ACP has supported The Coffee Growers Association in Manicaland, first in a meeting to categorize and prioritize issues, and then in sponsoring a workshop in Mutare with the collaboration of ZFAT on December 4-5, 2012. The workshop focused on setting up a National Coffee Commodity Association designed to revitalize the industry and boost production to 7,500 tons in the coming years. Furthermore, Zim-ACP announced a competitiveness study of the Tree Crop Commodity Industry and plan the way forward.
- On December 7, 2012, 13 leaders of the Zimbabwe National Soya bean Commodity Association (ZNSCA) met to discuss CIBER findings on their value chain and prioritize issues to address through advocacy and to chart next steps. A four-person strategy committee was established to incorporate recommendations, including strategizing marketing for better sales prices, accessing working capital, improving the organization, and partnering with CFU on the pressing VAT issue before ZIMRA.

**Regulatory Impact Analysis (RIA) Meeting:** Supported by Zim-ACP consultants, LMAC presented a practical RIA demonstration based on the proposed AMA Statutory Instrument to regulate the poultry industry. The SI had been thoroughly studied, dissected, and a cost-benefit analysis was done before presenting it to the 48 participants, (13 women and 35 men) including a number from the Economics and Markets of the Ministry of Agriculture, Department of Livestock and Veterinary Services, though none from AMA. The exercise showed that the negative impacts of the AMA proposed Statutory Instrument were onerous, and that such analyses as this must be brought to the dialogue between government and private sector to support private sector competitiveness.

**Animal Health Act Reform:** Stakeholder meetings were held in the provinces (4 meetings) and Harare to address the issues and findings arising from CIBER studies, to garner approval for proposed reforms, from which to proceed with the development of white paper and the RIAs (Regulatory Impact Assessments) in Q2.

### **Progress in Improving Market Infrastructure and Institutions**

**Standards:** Studies from previous quarters indicate that small scale commercial farmers need standards and SPS training to help them succeed. Zim-ACP and its new partner the Standards Association of Zimbabwe (SAZ) agreed to an institutional strengthening action plan. At the same time Zim-ACP spoke with the ITC about a ToT course on market assessments and meeting required standards, which will be launched next quarter. The course will improve representative body awareness and promotion of standards to members, and expand the training of members.

**Livestock Identification and Traceability:** Livestock sector studies from a previous quarter indicate high stock and breed degradation levels, throughout the sector and particularly in beef, which needs major improvements in stock before it could even start to recover. Relevant study findings were incorporated in the Animal Health Act reforms to be presented to Parliament in due course.

**The Agricultural Financial Task Force (AGTF) and Credit Reference Bureaus (CRB):** The AGTF, a Zim-ACP creation to deal with this major financial constraint area, will promote farmers being covered by credit reference bureau(s). Previously, the Minister of Finance berated the poor performance of unions and farmers alike in being ready for such coverage. Zim-ACP is working on a SOW to assist the development of membership databases that will open the way for farmers to participate in credit reference bureaus.

**Commodity Exchange (CE) and Warehouse Receipt System (WRS):** Considerable background work went into preparing for a Commodity Exchange and Warehouse Receipt System STTA over preceding quarters. However, given the Ministry of Agriculture's particular intransigence about the private sector handling the highest level of maize brokerage, we abandoned that element and have done an SOW for a WRS feasibility study which we hope to start in Q2.

### **Progress in Improving Agro-business Development Services, Agro-business Skills, and Agro-production and Productivity**

On November 22, 2012 Zim-ACP formally launched its FY2013 training strategy of linking trainers, associations and members in ToTs, communications and brokering, and training uptake. This line of delivery is linked to coming SPS/standards ToTs. There will be an expansion of the network of Zim-ACP certified private training institutions upcountry in quarters two and three. Furthermore, the bolstering of associations' databases and communications services will support improved outreach to members with offers of training.

Planning took place between the Zim-ACP team and the ITC training unit in Geneva for export and standards training to start in March 2013 and be spread out over 12 – 14 training days in three to four sessions in three to four months. The market and standards knowledge imparted is equally valuable for domestic and regional markets as well as for international ones.

### **Lessons Learned, Challenges and Conclusions from the Quarter**

Our most pro-active partner, LMAC, has proven that lobbying with evidence-based research yields results. LMAC's stature and credibility as an able proponent for its member associations continues to rise internally with its constituent associations and with government, most successfully in influencing the Ministry of Finance in budgetary decisions and with the Department of Veterinary Services in abused and bypassed SPS issues by meat importers. While its relation with AMA has a degree of tension, this is often a byproduct of active advocacy for change and transparency.

Our decision early on to spread the coverage of "representative bodies" outwards from the unions to clusters and regional associations was wise, given ongoing organizational issues with the unions. At the same time, union development to become effective representatives of farmers and advocates on their behalf is a major challenge due to financial constraints, leadership/governance, and problems with member recruitment, retention, support, communications, and services.

The new Director of Economics and Markets at the ministry of Agriculture has brought new push to advancing viable strategies in collaboration with the private horticulture sector.

## **1.2 OPERATING ENVIRONMENT**

The private sector faces difficulties in dealing with AMA on a footing that allows their constraints to be treated in a balanced or productive way, and the Agency imposes new and expensive controls via statutory instruments on the agriculture and livestock sectors. As the main conduit for private sector advocacy for non-legislative change, this is a big stumbling block hindering the development of an enabling environment. On the other hand, there has been more success advocating through the Ministry of Finance in its preparations for the Annual Budget.

The operating environment for small scale commercial farmers is made more difficult by their suppliers and their markets being oligopic and, therefore, generally the former are too expensive and the latter do restrict buying prices. The solution, heavy new investment, is dependant on achievement over time of a more enabling business environment and one that invites and facilitates FDI.

# CHAPTER II: PROJECT OBJECTIVES

The objective of USAID | Zim-ACP is to increase the competitiveness of Zimbabwe's agricultural private sector. In achieving this objective, the Zim-ACP program focuses on the following:

- Supporting and strengthening representative farmers' unions, commodity associations and agribusiness associations and assisting them to develop their analytical and advocacy capacity, with the ultimate goal of improving the enabling agri-business environment for Zimbabwean farmers, agribusiness and foreign investors.
- Increasing the efficiencies in agricultural markets, developing and applying improved technologies and enhancing the capacity of institutions that support agricultural markets.
- Enhancing the capacity of business service providers to deliver demand-driven training and technical assistance for firms and farmers.

# CHAPTER III: PROJECT ACTIVITIES

## 3.1 COMPONENT 1: STRENGTHENING REPRESENTATIVE INSTITUTIONS

Objectives: To help representative bodies of farmers and agribusiness organizations become competent advocates for an improved business environment.

Zim-ACP performed well against most of its indicator targets. See analysis of indicator target achievement (table 3.4.2). Out of 13 targets the project outperformed in eight and has yet to deliver in five. Zim-ACP expects to meet the annual targets set for number of producer organizations supported; profitability of firms and CSOs; value of resources leveraged by supported firms and producer organizations; regulatory reforms and gender awareness.

### Indicator table targets

Indicator	Target Year 2013		Actual Quarter 1 2013		Cumulative to date	
ACP 1 Value of resources leveraged through partnerships with agribusinesses, agribusiness service providers, NGOs etc	\$1 500 000		\$153 746		\$153 746	
ACP 2 Improvement in services to members by representative bodies of farmers, commodity associations and agribusiness organizations i.e. ZFU, ZCFU, CFU, PPAZ, ZPA, MAPA, DOHOPA, FCPA, ZWPFT, LMAC, SMA, Abattoirs Association of Zimbabwe, FACHIG, HPC	262 500		5 913		5 913	
4.5.2-42 Number of private enterprises, producer organizations, water user 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		7		7	
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	30%		93%		93%	
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/decree Stage 4: Passed/approved Stage 5: Passed for which implementation has begun	Stage 1	20	Stage 1	5	Stage 1	5
	Stage 2	12	Stage 2	4	Stage 2	4
	Stage 3	8	Stage 3	4	Stage 3	4
	Stage 4	3	Stage 4	3	Stage 4	3
	Stage 5	4	Stage 5	3	Stage 5	3
ZIM-ACP 5 Representative bodies of farmers and	85		52		52	

agribusinesses and commodity associations participating in public forums and attending Parliamentary committee meetings			
GNDR-2 Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)	30	33	33
4.5.2-7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	120	98	98
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	12	12

### **Background**

Component 1 activities in the Quarter were focused on the two strategic thrusts for FY2013. The first is rebuilding the credibility and organizational effectiveness of the representative organizations to enhance their role as strategic partners with the government in the formulation and implementation of agricultural policy and strategies. In support of this, the second strategic thrust is applying research findings in the design and implementation of reforms that foster agricultural competitiveness at commodity industry group and sector-wide levels in Zimbabwe. Fundamental to accomplish these objectives is assisting the unions/associations in increasing their members, establishing financial sustainability, and improving communication and involvement.

A Strategy Review Meeting with partner organizations held on November 1-15, 2012, mapped out areas for further strengthening and collaboration. The intention was to boost Zim-ACP's technical support for building the organizational effectiveness and credibility of its partners. These are the Zimbabwe Commercial Farmers' Union (ZCFU), Zimbabwe Farmers' Union (ZFU), Commercial Farmers' Union (CFU), Murehwa Agricultural Producers Association (MAPA), Domboshawa Horticulture Producers Association (DOHOPA), Zimbabwe Farmers' Alliance Trust (ZFAT), Zimbabwe Women Poultry & Small Stock Farmers Trust (ZWPFT) The two CIG representative bodies the Livestock & Meat Advisory Council (LMAC), and the Horticulture Promotion Council (HPC), also attended as did the new partner organizations, the Standards Associations of Zimbabwe (SAZ), and the Matabeleland Agricultural Business Chamber (MABC). All the participants got acquainted with Zim-ACP's technical support activities and interacted with the collaborating organizations.

### **Outcome**

The identified areas for further capacity building and institutional strengthening are updating membership data management systems, (software, recruitment, retention, dues collection, communication/information, commercial services, training promotion), quality service provision, leadership and governance training, follow-up, adoption and implementation of organizational strategic, lobbying and advocacy plans. Strengthening leadership and governance were critical factors for building credibility of the organizations. Participants at the meeting implored Zim-ACP to interact with the strategic leadership of the various organizations to enhance buy-in, adoption and implementation of the various plans developed with Zim-ACP support. Organizations agreed to collaborate on implementation of an effective organizational self-monitoring and evaluation system for the various technical supports provided by Zim-ACP.

Following the consultations, Zim-ACP finalized SOWs, identified consultants and submitted for USAID approval the STTA to be undertaken in Quarter 2. These are (i) development of membership database, (ii) development and offering of quality services to members, and (iii) website development to enhance communication and information dissemination to members and stakeholders. These STTAs are part of Zim-ACP support for the strengthening of partner organizations.

The activities undertaken in support of the individual farmers' organizations and Commodity Industry Group (industry) representative bodies are outlined in Sections 3.1.1 and 3.1.2 respectively.

### **3.1.1 Strengthening the Individual Farmers' Organizations**

In the Quarter Zim-ACP mainly supported partner organizations which were proactive in advancing the recruitment and retention of members.

#### **Zimbabwe Women Poultry and Small Stock Farmers' Trust (ZWPFT)**

With Zim-ACP support, the ZWPFT held its first Annual Conference on 21 November 2012. The conference's theme was competitiveness issues in the poultry value chain, with particular focus on the small-scale and independent poultry producers, generally referred to as the "informal poultry sector". A total of 100 participants (47 males and 53 females) attended. Participants were ZWPFT members, individual poultry farmers, representatives of other farmers' associations (including the Zimbabwe Poultry Association), banks, academic and research institutions and services providers within the poultry value chain. Representatives from the Ministry of Women's Affairs, Gender and Community Development (MWAGCD), the Ministry of Agriculture Mechanization and Irrigation Development (MAMID), and the Ministry of Economic Planning and Investment Promotion (MEPIP), also attended.

#### **Outcome**

Accessing affordable finance for infrastructure and working capital, the high cost and unreliable supply of day-old chicks, and low viability were noted as the major challenges facing the smallholder poultry sector. Low viability was the result of high transaction costs in accessing markets and was the most serious challenge. Producers with 2 000 or more broilers face difficulties in selling the birds in formal markets unless they market through established poultry processors. The latter offer to buy at discounted prices while retail prices would be double the producer price. To increase market share and margins, the meeting recommended the establishment of slaughter services for members in the poultry farming regions, branding the smallholder farmers' poultry products and adopting a common marketing strategy. Industry's support for local research and development of grandparent stock was suggested as a strategy for improving the sustainability of the poultry sector in Zimbabwe. Members' capacity building needs were knowledge of and adherence to food safety standards, reliability in supplying markets, and improved business skills.

The conference considered the proposed AMA (Poultry and Poultry Products) Development Regulation 2012 noting the following:

- (i) There was little prior consultation in the development of the statutory instrument.
- (ii) AMA's assistance is most needed in sourcing markets for producers' poultry products.
- (iii) In its current format, the \$0.01 per day-old chick would be passed on to the producers, thereby disadvantaging smallholder poultry producers who constitute 65% of the industry. Of these, 80-90% would be women.

(iv) The compliance costs, (registration and monthly returns by the 7<sup>th</sup> of the month), were relatively high for the small-scale producers given their low margins and the fact some of them are only intermittent producers.

The meeting recommended further dialogue on modifications that would benefit producers and consumers.

In organizing the conference and mobilizing a wide spectrum of participants, the ZWPFT demonstrated good organizational capacity. Its existence and role as a representative and advocacy organization for smallholder and “informal” farmers was enhanced among the poultry producers and value chain stakeholders. For smallholder poultry farmers, ZWPFT proved that it could be an instrument for bringing them together so that they could work effectively as a group to lobby on issues in the poultry sector.

### **Domboshawa Horticulture Producers’ Association (DOHOPA)**

Through Zim-ACP support for institutional strengthening for service delivery to members, the leaders of DOHOPA adopted a proactive approach in implementing the Strategic Business Plan developed in FY2012. Throughout the Quarter, the DOHOPA leaders held meetings with MicroKing Finance, Trust Bank and Zimbabwe Agricultural Development Trust seeking funding for members to diversify from producing tomatoes and leafy vegetables into producing higher value produce (e.g. lettuce, strawberries, fine beans, etc). In line with the strategic plan crafted with Zim-ACP assistance, DOHOPA decided to invest in poultry production as a business growth and risk management strategy. To improve their chances of securing funding, DOHOPA negotiated a partnership with Dr. Hen, a day-old chick producer, for the supply of day-old chicks, the provision of technical training, and to get a market for their broilers. DOHOPA also sought financing for about 300 of its members to increase their production to between 2 000 and 5 000 broilers over the next two years.

### **Outcome**

As a result of pro-active leaders, a well articulated business approach, and its strategy in partnering with Dr. Hen, Big Grape, a newly established investment venture company, viewed DOHOPA’s proposals positively and is considering financing DOHOPA for a broiler and vegetables out-grower scheme for local and export markets respectively. Fifty DOHOPA members would participate in the pilot scheme to be expanded to 300-500 members upon success. DOHOPA requested Zim-ACP to assist with the assessment of the proposal. If feasible, Zim-ACP will develop an organizational capacity building support program for the implementation of the venture for consideration by DOHOPA, Dr. Hen and Big Grape. Zim-ACP will approach and seek collaboration with Zim-AIED to assist, based on their current work and experience, with the technical aspect of this venture.

### **Zimbabwe Commercial Farmers’ Union**

Two meetings between the Zim-ACP COP, the ZCFU President Mr. Wonder Chabikwa, Vice President for Commodities Mr. Ernest Ndlovu, and Acting Director Mr. Shadreck Tsimba, discussed the organizational state of ZCFU. The Challenges it faces are high debt (arising from unpaid staff salaries), little cash inflows to meet operational costs, including the salaries of national office staff, and the cessation of any national office travel activities to provinces. While the provinces are autonomous following the Zim-ACP-supported Strategic Planning in 2011, there is now a new leadership needing support. The leadership challenge is to turn the organization around and make it viable and credible.

**Outcome:**

Following its National Executive Council meeting, the President requested Zim-ACP support for the design and implementation of a turnaround strategy centered on leadership, organizational development and good governance, (**Annex 2**). A leadership and organizational development program will be designed and implemented with the assistance of a STTA for Leadership and Organizational Development earmarked for Q2.

**FACHIG (Farmers' Association for Community Self-Help Investment Groups)**

The FACHIG Board considered the findings of Zim-ACP's organizational assessment of FACHIG completed in September, 2012. FACHIG operates in the four districts of Mashonaland Central Province - Muzarabani, Guruve, Mt. Darwin and Rushinga. It has 12 666 members, 73% of whom are women. In November, the Board undertook an assessment of the state of FACHIG to meet anticipated development challenges in response to political and economic changes over the next five years. The assessment focused on what was needed to revitalize FACHIG to respond to the anticipated changes. And development needs. A capacity strengthening initiative to improve the effectiveness of FACHIG internal control systems and a strategic reorientation of program activities in line with economic and political developments were recommended. FACHIG management approached Zim-ACP for technical support to improve internal control systems and governance. Zim-ACP will incorporate these in the planned leadership and organizational capacity building program referred to above.

**3.1.2 Strengthening CIG Representative Bodies for Private Public Sector Dialogue**

In this quarter, the focus was on supporting the CIG representative bodies for proactive engagement with the public sector on policy and regulatory issues, using evidence from background studies and CIBER Assessment research. This was in line with FY2013's second strategic thrust of moving from analysis to implementation in applying research findings in the design and implementation of reforms. The activities were formulated in three ways. Firstly from issues arising from agenda items under discussion at scheduled meetings of the representative bodies, (mainly LMAC and its affiliates), or from matters brought by the CIG representatives for the attention or support of Zim-ACP. Secondly, through monitoring the press for reports and pronouncements by the government, (mainly the Ministry of Agriculture), on agricultural policy issues so as to opportunely dialogue on them. Thirdly, from assessing the policy direction and issues in the draft 2012-2032 Zimbabwe Agricultural Policy Framework and to bring these to the attention of the CIG representative bodies.

The activities undertaken in support of the various CIG representative bodies are outlined below. In the Quarter, Zim-ACP worked with five of the six CIGs. There were no activities with the Grain CIG as the Grain Millers' Association was inactive.

**Livestock and Meat CIG**

In the Quarter, LMAC implemented the Livestock Task Force strategy to improve dialogue with the public sector and be proactive in engaging the public and regulatory agencies on challenges impacting negatively on the competitiveness of the livestock sector. The meetings and issues presented are in Table 3.1.1. The presentations were drawn from research findings and technical advice by Zim-ACP as well as issues raised in meetings of affiliated associations.

**Table 3.1.1 LMAC Presentations at Meetings**

<b>Date</b>	<b>Officials and Ministries met or approached</b>	<b>Nature/Focus or objectives of meeting or presentation</b>	<b>Outcomes</b>
5 <sup>th</sup> October, 2012	Director of Economics and Marketing, Ministry of Agriculture.	Briefing new Director on livestock industry issues under LMAC's initiative for improving dialogue with the public sector	LMAC role as representative body of the livestock and meat industry appreciated
24 <sup>th</sup> October, 2012	Ministry of Finance	Submissions to the 2013 National Budget Consultative Meeting	Outcomes outlined in Table 3.1.2
24 <sup>th</sup> October	Letter submitted to ZIMRA Ministry of Finance	Letter submitted to ZIMRA following recommendations at the Ministry of Finance on the matter of smuggled meat products and laxity at Port Health offices at border posts	ZIMRA requested the response of the Department of Livestock and Veterinary Services. This led to the meeting of 8 <sup>th</sup> November mentioned below.
26 <sup>th</sup> October, 2012	Parliamentary Committee on National Budget and Public Expenditure	Submissions to the 2013 National Budget Consultative Meeting	Outcomes outlined in Table 3.1.2
8 <sup>th</sup> November	Department of Livestock and Veterinary Services	Issues on the undocumented and illegal importation of livestock products and offal	Warning letter on illegal imports published in the press ( <b>Annex 3</b> )

**Outcomes**

The majority of the submissions were granted in the National Budget Statement announced by the Minister of Finance on 15 November, 2012. The Minister also inserted a protectionist \$1.50kg levy on imported broilers. However, this was completely independent of LMAC's advocacy.

**Table 3.1.2 Minister of Finance Budget Statement on LMAC Submission for the 2013 National Budget**

<b>LMAC Submission</b>	<b>Problem or issue to be addressed</b>	<b>Budget Statement</b>
1. Zero rating of VAT on locally produced soya beans	The main ingredient from soya beans is soya meal which is an essential vegetable protein feed ingredient for the pig, poultry and fish industries. Thus charging VAT on soybeans increases the cost of production of chickens and pigs and fish. This was contributing to non competitiveness.	VAT on soya meal removed with effect from 1 January 2013
2. Removal of VAT on live birds, i.e. point of lay pullet for egg production and live broiler birds sold to processors	VAT on live birds had a major impact on small-scale poultry producers. Small-scale producers are the major buyers of Point of Lay Pullets (POLs) while large scale producers tend to base their egg production on layers raised from their own day old chicks.  Small-scale and non integrated broiler producers have to sell through large scale processors. This attracted VAT. This was unfair to the small-scale producers who constitute 60-65% of all poultry producers.	VAT on live birds removed with effect from 1 January 2013
3. Zero rating of VAT on bovine semen (0511.1000):	The beef and dairy industries need to have access to the most suitable genetic material for enhanced performance. These are not locally available and therefore need to be imported.	Not considered.
4. Suspension of 5% duty on solvent extracted soya meal imported from non-SADC countries	Most of the soya meal imports for the pig, poultry and fish industries are solvent extracted. Due to a shortage of locally produced non-GMO soya in the SADC, most of the soya beans had to be sourced from outside SADC, mainly from India. The 5% duty added to the cost of production.	Duty on soya meal imports from outside the SADC retained at 5% but there is 0% duty on soya meal imported from within SADC
5. Improved Port Health Controls.	Industry is concerned about the increased risk of disease that can be transmitted through illegal meat and dairy products (e.g. fresh milk, poultry offal, pork bones), some of which are sources from unapproved plants (e.g. poultry from Ireland, Netherlands and Chile)	Issue of improved port health not addressed in the Budget, but Ministry of Agriculture addressed the matter through a strong press statement against these imports. See attached.

6. Tighter control at border posts and stricter application of duty on imported meat products	Imported meat products (mainly poultry) being marketed below legal landed costs (e.g. poultry being wholesaled for \$2.50/kg whereas the legal landed cost (with appropriate duty paid) is in the region of \$2.80 to \$3.00/kg). At the prices of formally imported meat products, the imported products would be competing fairly with locally produced poultry products. The industry was of the view that there are possibilities of either under invoicing or misspecification and smuggling of the products at the border posts.	All imported meat products now attract a duty of \$1.50 per kg or 40% of the value whichever is higher with effect from 16 <sup>th</sup> November
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LMAC submitted a letter to ZIMRA following the Ministry of Finance’s recommendation for LMAC to raise the issue of meat offal which, although banned under the Animal Health Act, is still being imported due to possible laxity at the borders. Acting on ZIMRA’s request, and after meeting with LMAC, on 8 November, the Department of Livestock and Veterinary Services published a warning statement in the national press. The statement emphasized that ZIMRA documents should accompany every imported consignment and advised as follows; *“You are advised forthwith to stop selling smuggled meats in your retail outlets. Your cooperation is key to our success. In future, we are going to name those outlets which demonstrate unwillingness to comply. Habitual offenders will be fined, prosecuted and have their loot confiscated and destroyed at their expense.”* (Annex 3).

Through Zim-ACP technical support for evidence-based position papers, LMAC’s stature was increased as an industry representative organization among the public sector entities. LMAC will be strengthened further by the economist to be seconded as LTTA in Quarter 2. Detailed and fast turnaround economic analysis for submission of position papers will be achieved.

### **Horticulture CIG**

HPC is facing financial difficulties due to its members no longer paying levies. This is due to reduced exports of flowers, (mainly roses), and vegetables, to markets in Europe, and because the former exporters are switching to supplying the domestic and regional markets with vegetables. With support from Zim-ACP, HPC invited stakeholders to discuss its future role and map out a turnaround strategy. The stakeholders articulated the challenges they faced, including the lack of policy support from the Ministry of Agriculture, the need for a strategy for the development of the sector, the unavailability of finance for medium to long-term investment in the sector, the lack of industry-wide accepted standards to guide smallholder producers in supplying the different markets, and the lack of support for organizational development for smallholders to bulk and achieve economies of scale. The new Director of the Economics and Markets Department of MAMID participated.

The study *“Assessment of Market Requirements for Selected Zimbabwean Horticulture Produce in Domestic and Regional Markets for the Development of Standards, Business Development Services and Training Needs for the Horticulture Commodity Industry Group”*, was commissioned in the Quarter. The study seeks to assess the market requirements for trade related standards, including national, regional and international public norms. These include SPS, food standards, quality assurance, traceability and accreditation systems, and voluntary sustainability standards such as GlobalGAP, Fairtrade, MPS-ABC, Rainforest Alliance, Business Social Compliance Initiative, etc. The study findings will guide the Horticulture CIG in terms of the training and organizational development needed to improve competitiveness in accessing the local and regional markets. Zim-ACP will be informed on its

programming activities for strengthening national market facilitation institutions for phyto-sanitary, food safety and quality standards, information and other development services to meet the needs of the horticulture industry.

### **Outcome**

The meeting agreed that HPC should be proactive in helping the industry and government address the challenges. The new Director of the Economics and Markets Department at MAMID called for a horticulture development strategy that would facilitate the participation of smallholder producers' in the domestic and export markets. With the training arising from the anticipated study findings, and the technical assistance of the LTTA to be seconded in Quarter 2, the HPC and Task Force will be able to adopt a new strategy to encourage domestic small commercial farmer sales.

### **Tree Crops CIG**

On 16 November Mr Muganyura, the current chairperson of the ZFU-affiliated Coffee Growers' Association, together with four district association leaders from Chimanimani, and the Coffee Mill manager, approached Zim-ACP for technical advice and assistance. The Association has a 35% shareholding in the Coffee Mill Plant which was closing at the end of November 2012 as a result of low coffee production. Current output is 300 metric tons but the plant needs to produce 3 500 tons a year to break even. The Coffee Growers' Association feels that there is a future in smallholder coffee production and they want to be strengthened so that they can drive the process of reviving the industry. The Association sought Zim-ACP assistance for the formation of a National Coffee Commodity Association, with members drawn from other provinces which have the potential to grow coffee, namely Mashonaland West and East in addition to Manicaland. The overall goal is to increase coffee production to 7 000 tons a year within five years.

Zim-ACP advised the delegation to work with stakeholders on developing a strategy for increasing the production of other tree crops, such as avocados and macadamia nuts as well as coffee. This would be the basis for establishing a national or provincial broad-based commodity association to implement the strategy. Zim-ACP informed the delegation that it intended to undertake a study to establish which tree crops were competitive, and which factors had to be addressed to improve competitiveness. The study findings would help shape Zim-ACP activities in support of the commodity association. It was also agreed to hold an awareness-building workshop on advocacy, lobbying, leadership, and organizational development on the proposed ideas.

Twenty-three (3 women and 20 men) stakeholders attended the consultative workshop on the future of the tree crop industry held on 4-5 December 2012 in Mutare. The Zimbabwe Farmers Alliance Trust (ZFAT), an alliance between ZFU and CFU which is spearheading the establishment of provincial and national commodity associations, led discussion on establishing provincial and national commodity associations.

### **Outcomes**

While the meeting considered the establishment of a National Coffee Commodity Association based in Manicaland Province, Zim-ACP's proposed study on the competitiveness of tree crops, and its suggestion that a broad-based tree crop commodity association be established, were both welcomed. Members were to be mobilized to participate in the study and to consider the idea of a broad-based (tree-crop) commodity association. Following the study, a strategic document for the turnaround of coffee and the development of other tree crops was to be formulated for presentation to the Governor of Manicaland Province to seek public sector investment in the industry. The Director of the Coffee Research Institute welcomed the development. She offered to collaborate and make available relevant study documents and reports on tree crop development in the region.

### **Legume and Oilseed CIG**

At a meeting on 7 December, 13 national leaders (5 females and 8 males) of the Zimbabwe National Soya bean Commodity Association (ZNSCA) discussed the constraints facing the sector. The main concern was lack of consultation on the development of the sector, particularly with regard to addressing constraints and creating an enabling policy environment for the growth of smallholder soya bean production. The meeting discussed the findings and recommendations of the CIBER Assessment of the legume value chain. The main findings highlighted the costs to producers of delayed payments for soya beans delivered to the GMB, the high cost of finance, the lack of a strategy for the development of the sector, and the fact that charging VAT was a disincentive for smallholder participation in formal soya bean markets.

### **Outcome**

The CIBER Assessment findings and recommendations were adopted. The ZNSCA was to approach the Ministry of Agriculture, the Ministry of Finance and the Central Bank on options for financing soya bean production at reasonable rates. A four person working committee was set up to formulate a strategy for addressing the issues and revitalizing the ZNSCA to improve its role and recognition by government and other soya bean value chain actors.

### **Cotton CIG**

The Cotton Stakeholders' Consultative meeting (Cotton Indaba), held in Quarter 3 of FY2012 (23 August 2012), with Zim-ACP support, raised the following issues:

- When selling cotton, farmers were not paid the value of their seed which cotton ginners process and sell as vegetable oil and animal feed. The cotton producers wanted the value of the by-products reflected in the price of the cotton sold to the ginners.
- Cotton seed was not sold on the open market but was only available to contracted cotton growers as part of the input package (i.e. seed, fertilizer and agro-chemicals). Farmers wanted to be able to buy the seed and grow cotton without being contracted.
- AMA raised substantial financial resources from the \$15 000 registration fee paid by ginners and the \$1.00 paid by farmers to register to grow cotton. The cotton farmers' contention was that the financial resources raised (close to \$5 million per year) were not ploughed back into supporting the industry. Support needed included agronomic research and training to improve productivity and cotton quality

On 28 November 2012, Quton, a subsidiary of the Cotton Company of Zimbabwe (Cottco), which processes and sells cotton seed, responded to issues raised by the cotton producers. Quton announced that cotton seed was to be made available through selected agents. The batch seed price for each farmer would be \$25 plus \$1.00 for AMA registration. Those buying the seed would be registered as growers, as required by the AMA Statutory Instrument, through the Quton agents. Those registered were to be allocated to the respective cotton contracting companies.

Similarly, AMA responded to issues raised at the Cotton Indaba by promulgating amendments to the Cotton Statutory Instrument, the AMA (Seed Cotton and Seed Cotton Products) Amendments Statutory Instrument 148 Regulations of 2012. The amendments removed the Cotton Technical Committees. AMA allocated itself functions to develop the industry through (i) training, examination, certification and accreditation of cotton graders, (ii) streamlined marketing arrangements; (iii) agronomic research and development and (iv) setting cotton grades and marketing standards (**Annex 4**).

The unions and their cotton producers' associations analyzed the implications of the announcement as:

(i) The cotton seed would remain unavailable on the open markets (through supermarkets, agro-dealers) unlike seeds for other crops, e.g. maize seed.

(ii) No uncontracted farmers could grow and market cotton. While accepted as a strategy to minimize side-marketing of cotton by growers, it was a restrictive practice. The growers advocated the adoption of the system used by the Tobacco Industry whereby tobacco growing families are given grower numbers which include a prefix for each member of the household.

(iii) Negatively, through the Statutory Instrument amended, AMA disempowered any public-private sector dialogue in the Cotton CIG.

### Outcome

As a result of the positions taken by Quton and AMA, the Agriculture Task Force, which was the facilitator of the Cotton Indaba, called for a renewed dialogue on the future of the cotton industry. Both the ginners and farmers' unions requested an assessment of the impact of the impasse caused by the AMA/Ministry interventions in the 2012-2013 cotton production. Zim-ACP proposed to undertake a competitiveness assessment of the cotton CIG that would provide additional information to the stakeholders. Additionally, following a request by FACHIG (on behalf of its affiliate, the Federated Cotton Producers' Association), Zim-ACP would assist the unions with research and information on the competitiveness of the alternative crops that cotton growers are considering switching to. Zim-ACP will use crop budgets produced by Zim-AIED to determine which alternative crops might be appropriate for the cotton growers (highest profit crops that can be grown in the agro-ecological areas where the cotton producers live.).

### 3.1.3 Public-Private Sector Dialogue and Cross-cutting Issues

During the reporting period, a number of public-private events were organized by Zim-ACP (table 3.1.3). Representative bodies of farmers, commodity and agribusiness associations also participated in public meetings where they actively advocated for their members' interests. **Annex 5** lists the meetings and issues discussed.

**Table 3.1.3: Public-Private Dialogue**

Date	Workshop/Meeting Title	Objective	Attendees	
			Government representatives	Total
3-4 October 2012	Harare Joint SMAZ, PPAZ, and ZPA Symposium, LMAC Regulatory Review Consultative Meeting	To obtain views on the issues and proposed reforms pertaining to animal health, stockfeeds and poultry sectors	14	62
9 October 2012	Masvingo Province Regulatory Review Consultative Meeting	To obtain views on the issues and proposed reforms pertaining to animal health, stockfeeds and poultry sectors	14	29
16-17 October 2012	Midlands Province Regulatory Review Consultative Meeting	To obtain views on the issues and proposed reforms pertaining to animal health, stockfeeds and poultry sectors	8	22

25-26 October 2012	Mashonaland Central Province Regulatory Review Consultative Meeting	To obtain views on the issues and proposed reforms pertaining to animal health stockfeeds and poultry sectors	12	26
31 October 2012	Capacity Assessment of the Animal and Plant Health Food Safety Study Feedback Meeting	To share the preliminary findings of the capacity assessment of the Animal and Plant and Health Food Safety Management and Control Systems in Zimbabwe	4	9
21 November 2012	ZWPFT Annual Conference	Conference theme was on competitiveness issues in the poultry value chain, with particular focus on the small-scale and independent poultry producers, generally referred to as the “informal poultry sector”	18	100
4-5 December 2012	Coffee Stakeholders Meeting in Mutare	To strategize on the future of the coffee industry and capacity build the association on the process for establishing Provincial and National Commodity Associations	5	26
6 December 2012	HPC Taskforce Meeting	To discuss HPC’s future role and map out a turnaround strategy for its resuscitation	4	13
12 December 2012	LMAC Poultry RIA Meeting	To raise awareness of public and private sector senior executives of the practices, process and importance of RIA of existing and proposed regulations.	11	48
<b>TOTAL</b>			<b>89</b>	<b>335</b>

### **Zim-ACP Public Advocacy Meeting**

On the 24th of October 2012, Zim-ACP held an information sharing meeting with the newly appointed Director for Economics and Markets Department in the Ministry of Agriculture. Zim-ACP outlined its activities in strengthening farmers’ unions and commodity associations for evidence-based policy analysis research and advocacy. The Reports of the CIBER Assessment of Poultry, Pork, Horticulture, Beef, Dairy, Grains and Legumes were presented.

### **Outcome**

The Director welcomed Zim-ACP’s efforts and achievements to date. Evidence-based research findings presented by the stakeholders were acknowledged as aiding the Economics and Markets Department in policy formulation and understanding issues from the perspective of the industry.

## **Establishment of Institutional Arrangements for Public-Private Policy Dialogue**

### **Joint Agriculture Forum**

During the Quarter, Zim-ACP engaged its stakeholders and other experts on the proposed formation of the Joint Agriculture Forum, (JAF) agreed to at the Agricultural Competitiveness Conference in July, 2012. The JAF was envisaged as a mechanism for coordinating the inputs of the various agribusiness representative bodies. It was to be a platform and conduit for advocacy with the Permanent Secretary of the Ministry of Agriculture, and other arms of government, on issues of policy and strategy for revitalizing agriculture and improving its competitiveness in domestic, regional and global markets. After the conference, some stakeholders raised concerns as to the viability of such a forum if restricted to the agriculture sector. Others objected that the forum would duplicate the functions or activities of existing policy dialogue forums such as the Agriculture Working Group of the Business Council of Zimbabwe (BCZ), the Agriculture Sub-Committee of the National Economic Consultative Forum (NECF), the Joint Presidents' Council of the farmers' unions, the AMA Commodity Technical Marketing Committees, LMAC, HPC as well as other industry representative bodies. In addition, the Ministry of Agriculture is mooting the establishment of an Agriculture Sector Steering Committee as part of the CAADP public-private sector consultative forum. The CZI President advocated an economy-wide dialogue forum to take care of systemic productivity and competitiveness issues endemic to all the economic sectors. Such a forum would be termed the Forum or Initiative for Improving Productivity and Competitiveness in Zimbabwe's Agriculture/Agribusiness Sector. The forum would be modeled on similar forums or initiatives found in other countries.

Recognizing the issue's political sensitivity and the need for an all party buy-in for the proposed forum to work, Zim-ACP is to provide STTA for its development and establishment. The Consultant's assignment would be to undertake a political economy and structural analysis of the underlying issues and recommend the most appropriate institutional arrangements. It is envisaged to have a consultant familiar with the recently concluded USAID/PEA (Political Economic Analysis) of the Agriculture Sector)

### **Arrangements to Facilitate Public-Private Policy Dialogue**

As envisaged in the 2013 Work Plan, discussions were initiated for collaborating with a number of private research think tanks and advocacy organizations, such as FANRPAN, the Ruzivo Trust, the Matabeleland Agricultural Business Chamber (MABC), the Agricultural and Environment Management Associates (AEMA), and the Agriculture Task Force on public-private policy dialogue. These present an opportunity to institutionalize (i) the capacity building program for applied policy analysis, research and evidence-based advocacy, (ii) facilitating policy issue awareness workshops, and (iii) forums for the dissemination of the Zim-ACP supported research findings as part of the policy dialogue.

### **Outcome**

A draft Concept Note (**Annex 6**) was developed. The main feature is a consortium approach to build on the comparative advantages of each organization.

On 15 November 2012 Zim-ACP and the Matabeleland Agribusiness Chamber (MABC) signed a MOU for MABC to facilitate policy dialogue and advocacy on agricultural and agribusiness issues in Matabeleland using Zim-ACP research findings.

### **3.1.4 Capacity Building for Evidence-based Policy Analysis, Dialogue and Advocacy**

There were two capacity building activities in the Quarter - the ZFU/ZCFU Masvingo Advocacy and Lobbying Capacity Building Workshop, and the Regulatory Impact Analysis (RIA) Awareness Meeting on 12 December, 2012 which is discussed in detail in 3.1.5 Regulatory Review below.

## **Provincial Advocacy and Lobbying Capacity Building held in Masvingo**

On 10 – 12 October 2012, a group of 26 (18 male and 8 female) ZFU Masvingo Province District leaders, and three (all male) National Executive Leaders, (the President, National Youth Chair and National Livestock Commodity Chairperson), attended the Lobbying and Advocacy Training workshop in Masvingo. The purpose was to build the advocacy skills of the union and association leaders so that they could better represent the interests of farmers in dialogue with policy makers at district and provincial levels. The first day was used by CALR and LMAC to solicit views and inputs on issues and proposed changes to the animal regulations. This was done to broaden the consultations whilst demonstrating a real case study for lobbying and advocacy. Officially opening the workshop the ZFU President, Mr. Silas Hungwe, set the tone for the proceedings by raising the following questions and challenges:

- Being leaders from the province and districts, did the delegates have followers?
- If there is no membership, who are you leading/chairing?
- How active are the membership structures?
- How active is the leadership in the provinces?
- Are you, the leaders, participating in provincial and district development forums?
- Do you have the mandate of farmers?
- Are the farmers seeing value in the union?
- Why are the youth (both male and female) not participating?

### **Outcome**

Through officially opening the workshop, the ZFU President demonstrated the value of lobbying and advocacy capacity building to the provincial leaders who acknowledged that the workshop enhanced their knowledge and skills for lobbying and advocacy on issues at district and provincial levels.

The leaders crafted an Action Plan based on three issues, namely (i) activating the ZFU structures, (ii) approaching abattoirs to pay for the offal, heads, legs and hides of cattle, and (iii) getting better prices for cotton farmers (**Annex 7**).

### **3.1.4.2 Regulatory Impact Analysis Awareness Raised**

On 12<sup>th</sup> December 2012, Zim-ACP supported LMAC to host a one-day Regulatory Impact Analysis (RIA) Awareness Meeting for senior executives from agribusiness associations, farmers' unions, academic institutions and the public sector. The objective was to raise awareness of the practices, process and importance of RIA of existing and proposed regulations. The case study was the Regulatory Impact Analysis of the proposed AMA (Poultry and Poultry Products) Regulation. Zim-ACP supported the preliminary regulatory impact assessment (RIA) of the proposed regulation (**Annex 8**). Table 3.1.4 summarizes those analyses.

A group of 48 delegates (35 male, 13 female) from both private and public sectors, notably senior officers from the Economics and Markets Department of the Livestock and Veterinary Services Department (DLVS), attended. AMA was invited but did not attend.

**Table 3.1.4 Summary of RIA of the Proposed Agricultural Marketing Authority (Poultry and Poultry Products) Development Regulation 2012**

Regulatory Analysis	Economic Impact Analysis
<p>The proposed AMA Poultry development regulation is written in language that is unclear and ambiguous rendering the whole piece of legislation unworkable and impractical. Important terms like producer, importer and contractor are not well defined. Furthermore the regulation imposes a levy collection on imports which is inconsistent with regional and international trade obligations and industry practices. The regulation also posed issues with respect to certainty, feasibility, enforceability and proportionality between the proposed measures and the actual costs of carrying them out.</p>	<p>The high costs of administration of setting up the system of registration and collection of returns. Furthermore stakeholders, including small producers, had the high costs of adding the tasks to their business operations to comply with the proposed regulations. Whilst there are some benefits like the establishment of the poultry development fund, the analysis showed minimal marginal benefits over a 10 year period. Furthermore, the cost benefit analysis showed that the majority of costs would initially be borne by small scale producers, the majority of whom are women, and that customers may be adversely affected in the long run. Therefore the regulation, in the manner in which it was proposed, was not beneficial to the industry or to the nation.</p>
	<p>AMA Fees and Levies (2 types)            Total AMA Fees and Levies estimated at \$1 170 000 (per year) distributed as follows:            \$570 000 (per year) from 57M day-old chicks @ 1 cent per chick            \$600 000 (per year) from 12M kg imports @ 5 cents/kg</p>
	<p><b>A total \$1 665 525 of administrative compliance costs/year to the industry to be distributed as follows:</b>            Breeders/Contractors (No.= 12) : \$23 999            Medium Producers (No.= 200) : \$199 888            Small Producers (No.=16,000) : \$1 344 000            Abattoirs (No.= 10) : \$9 994            Importers(No.= 60) : \$87 643  <b>\$214 604 of the total is for registration costs incurred only in initial year</b></p>

Stakeholders' comments highlighted that the proposed instrument, in its current form, was detrimental to the industry. Some issues raised include the following:

- The need for AMA to undertake a regulatory impact assessment of the proposed S1.
- The need for a clear identification of the problems with the SI and the measures that would effectively solve them in a competitive and business oriented manner.

- More consultations were needed, in particular within MAMID and its agencies, to ensure coherence in the regulations.
- The need to compare the proposed SI with the Animal Health Act and its Statutory Instruments to avoid duplication.
- The proposed SI will overburden all players involved in the poultry industry and further contribute to the fragmentation of fees and levies across the value chain. A more competitive approach was needed.
- If implemented in its current form, the women who constitute the majority of small-scale poultry producers would bear the burden of the administrative costs for registration, and increased costs due to the proposed levy of \$0.01 per day-old chick.

LMAC's submission to AMA and the Ministry of Agriculture on the stakeholders' response is in **Annex 9**.

### **Outcomes**

The RIA Awareness meeting improved the interaction between public, private, civil-society and academic sectors on the need for regulatory impact analysis of proposed regulations. Information provided showed that in Zimbabwe the process for developing regulations does not consider the costs of compliance imposed on the producers. The implications of regulatory compliance costs on competitiveness at various levels of the value chain, and in the industry as a whole, are not measured. The proposed regulations are not assessed for their effectiveness or relevance or cost to the government as well as the whole society. The meeting demonstrated a case for improving the quality of regulations. The need to improve understanding and develop capacity for regulatory impact analysis was highlighted. Based on the experience, Zim-ACP would support such analysis and meetings in future. These would provide evidence for advocacy and lobbying for an improved regulatory environment.

### **3.1.5 Regulatory Review and Reforms**

There were two activities pertaining to regulatory review in the Quarter. One was the animal regulation review which has been ongoing since Quarter 1 in 2012. The second was the stakeholder consultation and response to AMA's proposed statutory instruments, namely; (i) the Agricultural Marketing Authority (Poultry and Poultry Products) Development Regulations, and (ii) the AMA Statutory Instrument 147 (Registration of Companies and Submission of returns) Regulations 2012. Zim-ACP identified opportunities and helped the representative bodies become proactive in the review, development and promulgation of the two proposed statutory instruments. The activities are outlined below.

#### **Stakeholders consulted on the proposed animal health regulations reforms**

Four stakeholder consultative meetings to obtain views and inputs on the proposed animal health, animal welfare, farm feeds and poultry regulations were held in Harare, Gweru, Masvingo and Bindura in October 2012 (Table 3.1.5). LMAC convened the Harare meeting while ZFAT, ZFU, ZCFU and FACHIG jointly hosted the other meetings. LMAC facilitated CALR's presentation of the draft issue papers. A total of 77 stakeholders (17 female and 60 male) participated.

**Table 3.1.5 Stakeholder consultation meetings for the review of animal health regulations held in Quarter 1 October – December, 2012**

<b>Date</b>	<b>Meeting</b>	<b>Number Participating</b>	<b>Convener</b>
3-4 Oct 2012	Harare		LMAC
9-12 Oct 2012	Masvingo, Masvingo Province	29 (21 male, 8 female)	ZFU, ZCFU, LMAC
16-17 Oct 2012	Gweru, Midlands Province	22 (19 male, 3 female)	ZFAT (CFU +ZFU), LMAC
25-26 Oct 2012	Bindura, Mashonaland Central Province	26 (20 male, 6 female)	ZCFU, ZFU, FACHIG

In support of the animal regulatory review, starting in mid-December a STTA guided the CALR team in analyzing the technical, economic, and environmental and gender impact of the proposed regulatory changes on the competitiveness of the respective livestock and meat sub-sectors. The RIA continues in Quarter 2 when the White Papers will be presented at the penultimate stakeholder consultative meeting to validate the proposed changes.

#### **Outcome**

The provincial meetings extended the consultations on the issues and proposed changes to local or farm level leaders. Through convening the meetings, ZFU, ZCFU and FACHIG demonstrated to local leaders the direct role unions can play in regulatory reviews. Awareness among the leaders on national issues under consideration was created.

#### **AMA Statutory Instrument 147 (Registration of Companies and Submission of Returns) Regulations 2012 analyzed.**

Following a request from the Zimbabwe Abattoirs Association (ZAA), a member association of LMAC, the Zim-ACP legal researcher provided an analysis and legal opinion on the validity of the instrument with regard to the duplication of fees and levies by AMA and the Department of Veterinary Services (**Annex 10**). The SI requires payment of annual registration fees and abattoirs pay up to \$1 000 to AMA despite having paid the \$300 annual registration fee to the Department of Veterinary Services.

#### **Outcomes**

Table 3.1.6 summarizes the regulatory reform work accomplished in Quarter 1.

**Table 3.1.6 Quarter 1 Policy Matrix**

	<b>Regulation/ Administrative Procedure</b>	<b>Policy/ Position Paper</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Stage 4</b>	<b>Stage 5</b>
1	Value Added Tax [Chapter 23:12]-removal of VAT on soya bean and live birds	CIBER for Poultry, CIBER for Pigs	X	X	X	X	X
2	AMA Proposed Poultry and Poultry Products Development Regulation	Poultry RIA Paper	X	X	X		
3	Agricultural Marketing Authority (Registration of Companies and Submission of Returns) SI 147	Registration of Companies Paper	X				
4	Matabeleland Drought Mitigation Policy	Matabeleland Drought Mitigation Strategy	X	X	X	X	X
5	Suspension of 5% duty on solvent extracted soya meal imported from non-SADC countries	CIBER for Poultry, CIBER for Pigs	X	X	X	X	X
	<b>TOTALS</b>		<b>5</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>3</b>

### **3.2 COMPONENT 2: IMPROVING MARKET FACILITATION INSTITUTIONS**

Objective: Improved Market facilitation Institutions

#### **Indicator table targets**

Indicator	Target Year 2013	Actual Quarter 1 2013	Cumulative to date			
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	30%	93%	93%			
ACP 3 Increase in client coverage and/or customer outreach of supported market facilitation institutions /organizations	500	0	0			
ACP 4 Number of market facilitation institutions/ organizations (not for profit) that, as a result of USG assistance are in each of the following 3 stages	Stage 1	4	Stage 1	0	Stage 1	0
	Stage 2	4	Stage 2	0	Stage 2	0
	Stage 3	3	Stage 3	0	Stage 3	0

## **Background**

In Q1, Component 2 activities were focused mainly on setting the foundation for activities in support of C2, drawing from the findings of the two capacity assessment studies commissioned in Q3/Q4 of FY2012, namely; (i) the Animal and Plant and Health Food Safety Management and Control Systems for Livestock and Horticulture, and (ii) Livestock Identification, Traceability and Improvements systems. Consultations continued with the Ministry of Agriculture for buy-in on studies on commodity exchange and warehouse receipt systems.

### **3.2.1 Stakeholders' Feedback on Capacity Assessment Study Obtained**

On 31 October 2012, nine delegates (3 females and 6 males) attended the stakeholders' feedback meeting on the preliminary findings of the Capacity Assessment study of Quality, SPS, Plant and Animal Health Systems in Zimbabwe. Notable participants were the SPS Committee and its Co-Chair, who is the Deputy Director of Economics and Markets Department at MAMID, the Standards Association of Zimbabwe (SAZ) Director General, the ZimLabs Director, and the LMAC and HPC representatives. The study findings were endorsed. The SPS Committee Co-Chair was to take up the recommendations for advocacy at various forums like CAADP and to government.

### **3.2.2 Institutional capacity strengthening for standards initiated**

Zim-ACP and the Standards Association of Zimbabwe (SAZ) agreed on the Action Plan (Annex 11) for collaboration in support of the institutional capacity building of SAZ. The key elements and expected outcomes of the Action Plan are:

1. Standards Regulatory database developed: SAZ and Zim-ACP will collaborate in the collation of all agriculture-related laws & regulations that deal with standards and create an agricultural standards database for each CIG. The expectation is that such a database can be used by unions and association to disseminate information and to increase awareness on standards regulation amongst their members. SAZ is to host the database on its website and include dissemination programs as part of its plans.
2. Regulatory analysis information shared: Zim-ACP will collate all studies done on the impact of the regulations and on the cost of compliance with standards for farmers. From the studies it will share particular findings on standards with SAZ. Such findings will be used in the development of new areas of cooperation and to inform programming of activities for both parties. SAZ will provide a platform for increased regulatory and policy awareness through its website and information dissemination structures.
3. Standards knowledge and application enhanced: Zim- ACP to work with SAZ in conducting standards awareness, training for farmers and farm organizations, agro dealers and other stakeholders, particularly on GLOBALGAP, Fairtrade and other private standards. This includes the development of guidelines/briefs outlining regulatory and standards compliance checklists or tools for farmers, dealing with specific commodities. SAZ will work with farmers for certification and accreditation of their products. SAZ will also work with Zim-ACP and relevant agribusiness associations in developing training manuals, particularly for dairy and horticulture, on aspects of quality assurance and standards compliance.
4. SAZ Institution Capacity Strengthened:
  - a. Zim-ACP will help SAZ run a training of trainers program in identified areas of standards knowledge and application. This will cover national, regional and international public norms, such as SPS, food standards, quality assurance, traceability and accreditation systems, and private

or voluntary sustainability standards (such as GlobalGAP, Fairtrade, MPS-ABC, Rainforest Alliance, Business Social Compliance Initiative, etc).

- b. Zim-ACP to assist SAZ in the development of funding proposals to access resources from global capacity building networks for agriculture-related standards (e.g. International Trade Centre of the WTO, COLEACP);
- c. Zim-ACP collaborated with SAZ in establishing a database of a pool of experts with extensive knowledge on standards, for use by SAZ in its capacity building. Information from the recently completed Capacity Assessment study of Quality, SPS, Plant and Animal Health Systems is that Zimbabwe does have qualified or trained professionals who are used as resource persons and trainers in quality standards. Some of these are given contracts to train or do audits and set-up systems in the SADC and East African region. These are to be mobilized as resource persons to be contracted by SAZ in addition to Zim-ACP trained trainers.

The focus is on building SAZ's institutional capacity to offer services including; (i) raising awareness of standards among members of agricultural commodity and agribusiness representative associations, (ii) training on agricultural-related national and global private standards to improve knowledge and application by all CIGs, and (iii) developing standards in response to CIG requests. SAZ and Zim-ACP will meet monthly to update each other on areas of cooperation.

In support of this effort, Zim-ACP will collaborate with the International Trade Centre (ITC) of the World Trade Organization (WTO). ITC will deliver four training workshops, based on its Market Analysis Tools, with the ultimate aim of realizing export potential and market opportunities for Zimbabwean products in high growth/value markets. The themes of the four workshops are:

**Workshop 1:** Using ITC's Trade Map and Market Access Map, the participants will analyze world demand for specific products and review trade related standards. These include national, regional and international public norms, such as SPS, food standards, quality assurance, traceability and accreditation systems, as well as voluntary sustainability standards such as GlobalGAP, Fairtrade, MPS-ABC, Rainforest Alliance, and the Business Social Compliance Initiative. Specific emphasis will be made on assessing the gap between requirements imposed by Zimbabwe's national regulations and regulations imposed by voluntary standards such as GlobalGAP.

**Workshop 2:** Participants will be trained on the Standards Map, and additional sources of information such as the EU-Export help-desk, to enable them to fully understand the specific targets required to enter a foreign market. They will also be briefed on the quality and safety voluntary standards which may be requested by retailers, or specific norms which focus on sustainability initiatives, such as Fairtrade International, GlobalGAP, MPS-ABC, etc.

**Workshop 3:** focuses on the benchmarking of various Zimbabwean national standards against the specific requirements set in corresponding private voluntary standards. ITC will integrate specific national Zimbabwean norms into the Standards Map, and benchmark them against voluntary standards applicable in the market.

**Workshop 4:** focuses on the training of trainers in trade related analysis methods and builds the capacity of trainers in Zimbabwe to teach others how to use ITC's tools effectively.

SAZ will host and coordinate the Workshops. Participants will be drawn from members of SMA, ZPA, PPAZ, ZWPFT, HPC, ZimTrade, and Zim-ACP accredited trainers.

The envisaged outcome is that through the first three workshops the participating firms, with support of SAZ and ITC, will work on improving standards to meet specific market requirement for produce they will be exporting, or plan to export.

### **3.2.3 Livestock Identification and Traceability**

In the review of the findings and recommendations of the Capacity Assessment of the Livestock, Traceability and Improvements systems in Zimbabwe, two specific aspects adopted are:

(i) Incorporating animal identification and traceability in the animal health regulatory framework currently under review. The recommendation is for Zimbabwe to harmonize its national laws so as to be consistent with WTO-recognized OIE international health standards and guidelines for international trade in live animals and products

(ii) In line with the above, the Livestock Identification Trust (LIT) would develop a program for raising awareness of the importance and requirements of the law regarding livestock identification and traceability. LIT, with Zim-ACP assistance, was to propose a funding model (inclusive of the use of levies) for consideration by the private sector and the relevant authority to support livestock identification and traceability programs.

### **3.2.4 Strengthening Financial Market Facilitation Institution initiated**

In the 2013 National Budget Statement, the Minister of Finance, announced that a Credit Reference Bureau system was to be re-established in 2013. At a meeting on 29 December 2012, the Agriculture Finance Working Group (AFWG) considered the agricultural finance sector's response to the announcement. The shortcoming in the farmers' attitudes and behavior, the role played by farmers' unions, and the gaps in existing membership databases that work against credit referencing and rating were analyzed as follows:

- Unions do not have functional centralized information systems that banks can use to obtain valuable data on the profile of the individual farmers;
- A number of farmers from all unions avoid or do not feel obliged to pay back loans. Some borrow from multi-sources avoiding all repayments.
- In general, farmers do not maintain bank accounts which could be used to establish a history of cash inflows and outflows. Most transactions are on cash basis.
- The unions do not have codes of conduct that members would abide by in borrowing and repaying loans.

### **Outcome**

The Agribusiness units of the banks agreed to help with the development of membership databases to be undertaken in Quarter 2 by STTA, supported by Zim-ACP, as part of C1 activities. The Framework for Collaboration in Zimbabwe between G-Analyti-X and Mobipay and AgriLife of Kenya with the Financial Clearing Bureau (FCB) and Agricultural Finance Working Group (AFWG) was endorsed (**Annex 12**). The AFWG Chairperson was to sound out the views of the Bankers' Associations on the implementation of the agreement.

### **3.2.5 Commodity Exchange and Warehouse Receipt Systems considered**

Consultations continued with the Ministry of Agriculture for buy-in on studies on Agricultural Commodity Exchange (ACE) and Warehouse Receipt Systems (WRS). At the information-sharing meeting on 24 October 2012, the Director of the Economics and Markets Department in the Ministry of Agriculture welcomed the studies. However, while the draft 2012-2032 Agricultural Policy Framework calls for the launch of the WRS and re-establishment of the ACE, it specifies that the ACE will not be allowed to trade in maize and wheat. Based on this understanding, Zim-ACP finalized the SOW and identified a consultant to undertake a technical and financial feasibility assessment for establishing and operating a Warehouse Receipt System (WRS) in Zimbabwe. The study of the ACE was held in abeyance to allow further engagement with the Ministry of Agriculture on the position on maize and wheat. The WRS study will provide information that the agricultural representative bodies will use in engaging government on the operations of the WRS. It is hoped that the findings of the WRS study provide the farmers' organizations with information for engaging the Ministry on the need and value of undertaking the ACE study.

### **3.2.6 Improving Market Information Systems options considered**

At the meeting of the Livestock Task Force on 10 January 2012 it was agreed that the LTTA will work on developing the livestock marketing information system in collaboration with current initiatives, including the SADC Livestock Market Information Systems (LIMS) Project. The Project, coordinated by the Department of Livestock Production and Economics and Markets, is at an advanced stage. It has a steering committee drawn from all industry players and relevant government Departments, including Agritex. The following tasks specific to the development of livestock market information were agreed on:

1. Develop an information and data collection system to obtain data from members of the associations, producers, government departments and value chain players, for use in research and policy analysis;
2. Compile, analyze, and report data to explain economic phenomena and forecast market trends in the livestock and meat sectors, applying mathematical models and statistical techniques;
3. Disseminate research findings through technical reports or policy briefs. Monitor press reports for issues, news and developments to be brought to the attention of LMAC for their information or response.

In undertaking the above, the LTTA will collaborate with Zim-AIED, USAID-SERA and ZEPARU.

### 3.3 COMPONENT 3: IMPROVING AGRO-BUSINESS DEVELOPMENT SERVICES, AGRO-BUSINESS SKILLS, AND AGRO-PRODUCTION AND PRODUCTIVITY

Objectives: Improved agro-businesses development services, agro-business skills and agro-production and productivity.

#### Indicator table targets

Indicator	Target Year 2013	Actual Quarter 1, 2013	Cumulative 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	81	81
4.5.2-42 Number of private enterprises, producers' 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	7	7
4.5.2-7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	120	98	98
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	12	12
4.5.2-37 Number of micro, small and medium enterprises receiving business development services from USG assisted sources	4 000	483	483

#### Summary

During the first quarter of FY2013, Zim-ACP prioritized the finalization and adoption of a new training strategy developed for the year, in preparation for its implementation. The new strategy focuses on linking trainers to commodity associations and farmers' unions, mostly for purposes of training on standards to enable smallholder farmers to access lucrative local, regional and international markets. Zim-ACP also disseminated the findings of the capacity assessment for livestock and animal health BSPs, conducted by the program's subcontractor, LOL, to stakeholders in the agricultural sector. During the dissemination workshop, stakeholders prioritized issues to be pursued in FY2013 for improving input supply services in the agricultural industry. A ToT on the use of the Agri-Inputs Business Development Training Manual, developed by LOL in FY2012, was also conducted in the first quarter of FY2013. The manual was designed to upgrade the business skills of the distribution networks of higher level animal health input suppliers, (manufacturers and importers), including franchisees, traders and dealers.

### Impact of Capacity Building of Training Services Providers

Capacity building of business service providers (training firms) conducted in 2011 and 2012 had the following achievements: development of a cadre of trainers, production of a gender-focused Farming as a Family Business Manual, and increasing the demand for Farming as a Family Business Modules. During the reporting period, (October to December 2012), Zim-ACP made a follow-up on some of its accredited trainers developed between FY2011 and FY2012 to check on the demand for and offer of business training services after Zim-ACP subsidies. This would allow Zim-ACP to report on indicator 4.5.2-37 (number of enterprises receiving business development services from USG assisted sources). While most of the trainers did not conduct business training sessions in the quarter as farmers were working in their fields, two training consortiums, Roots and Bucklesbury, reported some training activity. A total of 483 business enterprises, (201 male managed, 282 female managed), were trained by the two consortiums during the reporting period, as shown in Table 3.3.1. Participants paid the full cost of the training. Both Bucklesbury and Roots indicated that there is high demand for their training services. Bucklesbury is scheduled to train 1 000 farm enterprises between February and March 2013, while Roots plans to train 200 agro-dealers and tea out-growers in February 2013. This development shows the long term benefits of the training investment made by Zim-ACP over the first two years of the project. Accredited trainers are providing business training services on a commercial and sustainable basis to business enterprises.

Table 3.3.1: Training conducted by Zim-ACP accredited trainers

Date (2012)	Location	Business Module	Affiliated/Partner Organization	M	F	Total
<b>Bucklesbury Consultancy (Pvt) Ltd</b>						
12 Nov	Guruve	Commercialization of potatoes in the smallholder farming sector	ZCFU	7	16	23
14 Nov	Bindura	Commercialization of potatoes in the smallholder farming sector	Zimbabwe Youth Council	52	19	71
16-17 Nov	Seke	Farming as a family business	Seke farming Syndicate	39	61	100
14-15 Dec	Budiriro	Commercialization of potatoes in the smallholder farming sector	National Apex of Farming Syndicates	4	70	74
19-20 Dec	Budiriro	Commercialization of potatoes in the smallholder farming sector	National Apex of Farming Syndicates	9	74	83
27-28 Dec	Zvimba	Commercialization of potatoes in the smallholder farming sector	National Apex of Farming Syndicates	22	14	36
<b>Roots Consultancy</b>						
10-14 Dec	Manicaland	Business Proposal Writing	Manicaland Agro dealers, Association	61	26	87
19 Dec	Mutare	Leadership Training	Manicaland Poultry Producers Association	7	2	9
<b>Total</b>						<b>483</b>

## Training Strategy Review Workshop

Zim-ACP hosted a Training Strategy Review Workshop on 22 November 2012. The one-day workshop had 20 participants (7 female, 13 male) who were drawn from:

- i) *Membership organizations*: ZCFU, ZWPFT and DOHOPA.
- ii) *Private training institutions*: Blackfordby, Mandel Training Centre, Watershed, Fambidzanai.
- iii) *Independent training firms*: SHDF, Bucklesbury Consultancy, Dial-Honour Consultancy, Roots Services, Agrichem Services and Market First.
- iv) *NGOs*: Clavo and CADS.

The objectives of the workshop were to:

- i) Review the training strategy that was implemented between FY2011 and FY2012 to draw lessons that would inform the strategy for FY2013
- ii) Deliberate on the proposed training strategy for FY2013.

The training strategy for FY2013 is based on linking training institutions and independent trainers to farmer unions and commodity groupings, mostly for purposes of training on standards to improve smallholder farmers' access to local, regional and international markets. The linkage will see farmers' unions and commodity associations brokering training services on behalf of their members, and training institutions delivering training to agribusinesses at a fee. Independent trainers developed and accredited by Zim-ACP in FY2011 will be linked to training institutions, and will become an extension of these for the expansion of training services offered by reputable training institutions across the country. Approximately 10% of fees generated through training will be channeled to membership organizations as brokerage fees. The framework for the training strategy is presented in Figure 1.

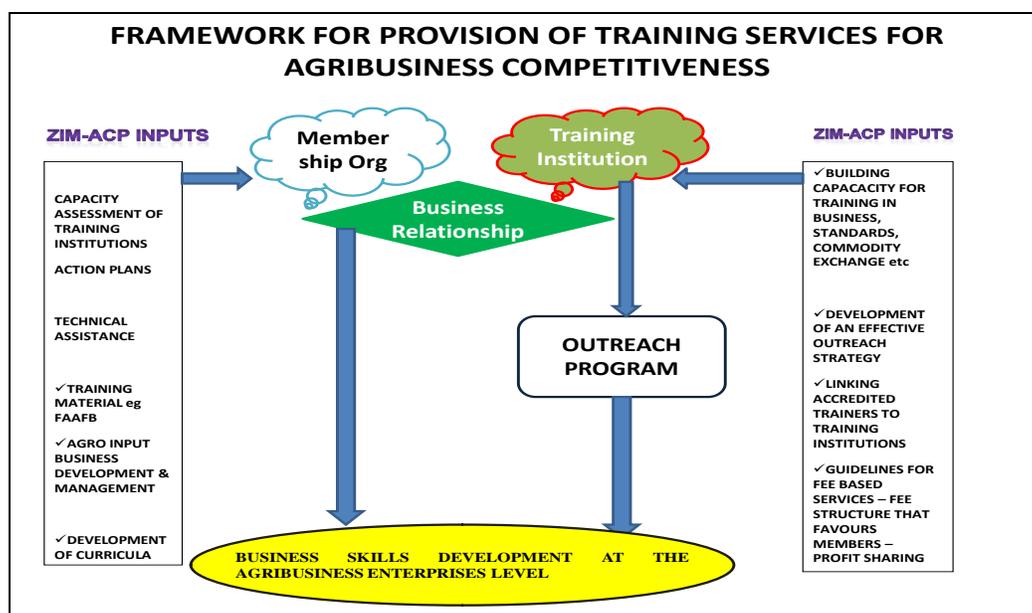


Figure 1: FY2013 Training Strategy Framework

Workshop participants welcomed the new strategy and agreed to adopt it without amendments for implementation in FY 2013. Both the training institutions and membership organizations requested Zim-ZIM-ACP to give them access to its database of accredited trainers in the various provinces of the country. Training institutions also requested Zim-ACP to conduct a capacity assessment on them to determine the gap between what they are currently offering and the current and future demand for their services.

### **Workshop to disseminate the findings of a Capacity Assessment for BSPs in the Livestock and Animal Health Sector**

Following a Capacity Assessment for BSPs (manufacturers and importers of inputs) in the Livestock and Animal Health Sector conducted by Zim-ACP's subcontractor LOL in FY2012, the program hosted a one-day workshop to present the findings to manufacturers, importers and distributors of agricultural products. The workshop was attended by 20 participants (18 male, 2 female) from input suppliers in the agricultural industry. Although the study was conducted on livestock and animal health BSPs, participants were drawn from input suppliers in the wider agricultural industry, as issues raised by the consultancy were viewed as common to the whole agricultural sector, and not restricted to BSPs in the livestock and animal health sector. Involvement of participants from other sub-sectors of the agricultural industry would cascade the benefits of the study to those sub-sectors, including the fertilizer, seed, agricultural machinery and equipment and agro-chemicals sub-sectors. The presentation and discussions were focused on:

- i. Gaps between services currently offered by BSPs against projected current and anticipated future market demand, and
- ii. Actions that were recommended to increase the growth and expansion of animal health services delivery to the sector.

The meeting adopted four broad actions for achieving growth and expansion in the agricultural sector, as follows:

- a) **Improving access to credit** – the study highlighted that there are innovative financing mechanisms which are being administered by banks which may not be known to some BSPs. therefore, a seminar where financial institutions would describe their range of finance products to BSPs was, recommended.
- b) **Improving communication with rural customers** – The study recommended the use of cell phones for bulk messaging to notify customers about new products, discounts or local training provided by BSPs. In view of this, the meeting agreed on a training workshop to enhance the use of cell phone technology to deliver technical and service information to customers in rural areas.
- c) **Business skills development** – the assessment highlighted the need to upgrade the business skills of agents and dealers, particularly those who are the point of sale of products to the end user. The lack of business capacity at the dealer level was seen as having a negative impact upon the BSP firms' ability to serve smallholder farmers. Therefore, a ToT aimed at building the capacity of business development service providers (BDSPs) to train the distribution networks of higher level BSPs in business was recommended.
- d) **A transitional farmer attitude and utilization habits study for products & services** – the study observed that the greatest market opportunity for BSPs is the new farmer who is expanding and commercializing. A study to understand farmers' attitudes and products and services

utilization habits was recommended. The findings of the study would enable BSPs to make sound business decisions and modify current business strategies and plans to suit the new market.

The four group actions were adopted by Zim-ACP and incorporated to be part of activities that will be implemented by the program to improve service delivery in the agricultural sector in FY 2013.

#### **TOT on the Development and Management of Agro-Inputs Businesses**

Zim-ACP conducted a ToT on the use of the Agri-Inputs Business Development Training Manual developed by its subcontractor LOL in FY2012. The manual was designed to upgrade the business skills of the distribution networks of higher level animal health input suppliers (manufacturers and importers), including franchisees, traders and dealers. The TOT, which was conducted between 6 and 8 November 2012, was attended by 14 participants, eight independent trainers and six trainers from agribusiness training institutions. Of the 14 participants, five were female, and nine were male.

Participants to the workshop met the costs of their meals, training materials, transport and accommodation, while Zim-ACP paid the facilitator's costs. This was the first TOT to be conducted by Zim-ACP with significant financial contributions from the trainees.

Zim-ACP will facilitate a business relationship between the higher level input suppliers and trainers. The relationship will require higher level input suppliers to sponsor the training of their distribution network BSPs whilst the training institutions and the Zim-ACP accredited trainers provide the training services at competitive rates.

### **3.4 ACTIVITIES UNDER M&E**

Monitoring and Evaluation (M&E) effort in Zim-ACP ensures that program activities and results are tracked and reported to management and USAID/ZIM for their input and guidance during program implementation as well as for reporting to USG.

Zim-ACP M&E data is entered in TAMIS, a user-friendly, automated information management system that provides a methodology and structure for organization, planning and information sharing. TAMIS houses all program performance data and facilitates reporting on the program indicators.

#### **Monitoring program events**

All program events organised by Zim-ACP during the reporting period were monitored. These included stakeholder consultation forums, meetings, workshops and training sessions. This involved ensuring that an attendance register was completed by all participants as well as administering an evaluation questionnaire at high-level events. An attendance register captured details of participants such as name, sex, organization and contact details. This record allowed tracking of the number and type of stakeholders participating. Analysis of this record allowed program management to take corrective action when some key groups or sectors (women, small scale producers, government representatives etc.) were excluded. An evaluation questionnaire was administered to get feedback from participants on the content, organisation and facilitation of the event. This information was important in guiding future recruitment of consultants for workshop organisation and facilitation. The data collected during event monitoring was entered in TAMIS together with a brief report giving a summary of the event and results achieved. The TAMIS meeting reports were a valuable resource during the writing of quarterly and annual progress reports. Data from the evaluation questionnaires was collated and used to produce an evaluation report for management feedback on the success of the event as well as for planning future events. See **Annex 13** for Event Evaluation Reports.

### **EVALUATION STUDIES**

#### **Adoption of learned management practices**

The assessment, to establish the number of supported business enterprises and organizations applying learned management practices during the reporting period, was restricted to unions, commodity and agribusiness associations. No non-farm business enterprises received assistance from the program during the reporting period. Of the eight producer organizations that received training on lobbying and advocacy, all of them went on to advocate on pertinent issues affecting their members. For some organizations such as ZFU, ZCFU, ZWPFT, FACHIG and LMAC, the advocacy training helped structure and perfect a process already underway. For the DOHOPA and MAPA leadership, the training provided knowledge and skills on how to perform their advocacy role and create a conducive policy environment for business to thrive. Some of the issues prioritized for advocacy by trained producer organizations include:

- High input prices quoted for contracted crops (cotton, garlic)
- Poultry feed is expensive and of poor quality
- Failure to enforce set import quota on poultry meat
- Need to review Cotton Statutory instrument 142
- Need to finalize national agricultural policy
- Need for cattle restocking –heifers, bulls
- Land Unit Tax pegged too high
- Abattoirs not paying for fifth quarter (hide, offal, head etc.)

- Ginners paying low prices for contracted cotton
- Late or no payment by GMB for delivered produce
- Need pre-planting prices for contracted crops
- Inefficiency and corruption by Vets and Police in the clearing of livestock.

Table 3.4.1 shows some of the advocacy steps taken by trained organizations on their issues.

**Table 3.4.1: Advocacy Adoption Areas**

	<b>Organization(s)</b>	<b>Advocacy Adoption Area</b>
1	ZWPFT, LMAC, DOHOPA and MAPA	Builds coalitions and networks to obtain cooperative efforts for joint action on the issue
2	ZWPFT, LMAC, ZFU, ZCFU, FACHIG	Provides public education/builds public support through public meetings and/or the media
3	LMAC	Collects information, carries out research, and gets input about the issue
4	LMAC, ZFU	Takes action to work with Parliament to influence policy on an issue

### **Impact studies**

The impact of the program is assessed in terms of long term changes at both the producer organizations as well as at the business enterprise level. The logic is that when producer organizations and business enterprises adopt the promoted techniques and management practices and, in addition, benefit from an improved regulatory environment and market infrastructure, 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);
- Ability of producer organizations and business enterprises to leverage resources through partnerships.

### **Profitability**

Zim-ACP has a FY2013 target of 410 supported business enterprises, (excluding farms), and producer organizations operating more profitably (at or above cost) because of USG assistance. For this report, profitability was assessed on 10 producer organizations and a total of 94 non-farm business enterprises involved in input supply, selling horticultural produce and agro-processing. These business enterprises received Zim-ACP supported business training in March or June 2012. At the time of the assessment in January 2013, at least six months had elapsed since they received the training. This was considered sufficient time for the impact of the support to start showing in terms of business performance. A survey conducted on the 94 business enterprises by trained enumerators [with the aid of a short questionnaire, (**Annex 14.1**) found that of the 94 enterprises that received business training, 53 that were loss making (before the training) are now operating profitably, 28 that were operating profitably before the business training are still operating profitably (20 of these are operating more profitably while 8 have not experienced significant changes in profitability) while 13 business enterprises are still loss-making at least six months after the training. Generally, the trend is that of good performance by most supported

business enterprises. Of the 10 producer organizations that Zim-ACP is capacitating, none is able to cover its operating costs yet. Established organizations such as ZFU, ZCFU and FACHIG are still struggling to pay their staff. Broken equipment has gone unrepaired while basic communication services, such as internet, have been allowed to lapse. LMAC and HPC are receiving support from Zim-ACP in the form of salaries for core staff, while small organizations such as DOHOPA and MAPA can only dream of having offices from which to run association business. The next quarter of the program will see the coming in of consultants to help producer organizations identify services (and relevant marketing strategies) that can be availed on a commercial basis to members and non members, to generate resources and contribute to the financial stability of each organization.

#### **Assess value of resources leveraged through partnerships**

During the reporting period ZIM-ACP tracked the level of resources leveraged by partner institutions through relationships with agribusinesses, agribusiness service providers, NGOs etc. This is a project impact indicator looking at the ability of a producer organisation or business enterprise to attract support (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, ZNSCA, Coffee Growers Association), as well as 5 927 business enterprises that received Zim-ACP support in March or June 2012. At the time of the assessment in January 2013, at least six months had elapsed since the businesses received the training. This was considered sufficient time for the impact of the training to start showing in terms of beneficial relationships with other institutions. A survey was conducted on the 5 927 business enterprises by trained enumerators with the aid of a short questionnaire (**Annex 14.2**). Forty two percent of the interviews were successful. The value of resources reported as leveraged in the last quarter is \$153 746. The bulk of this (\$100 000) was leveraged by ZFU from Mbada Diamonds, while the remainder (\$53 746) was leveraged by business enterprises. Types of resources leveraged by business enterprises include agricultural inputs and credit funds. Sources of resources leveraged by business enterprises include input suppliers, financial institutions, NGOs and individuals. The 2013 target for value of resources leveraged through partnerships was \$150 000. Therefore the quarter one actual more than surpasses the annual target.

#### **Analysis of indicator achievement**

Table 3.4.2 presents an analysis of indicator achievement for the reporting period (October to December 2012). Zim-ACP is well on track with most indicator targets. See Table 3.4.2.

**Table 3.4.2: Analysis of indicator target achievement**

Indicator Summary	Year 3 Target	Quarter 1 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	81	Target should be met as more firms will start reporting on impact in Q2 and Q3
ACP 1 Value of resources leveraged through partnerships with agribusinesses, agribusiness service providers, NGOs etc	\$150 000	\$153 746	Annual target surpassed because of a significant and unanticipated windfall to ZFU during Q1
ACP 2 Improvement in services to members by representative bodies of farmers, commodity associations and agribusiness organizations i.e. ZFU, ZCFU, CFU, PPAZ, ZPA, MAPA, DOHOPA, FCPA, ZWPFT, LMAC, SMA, Abattoirs Association of Zimbabwe, FACHIG, HPC	276 000	5 913	Achievement very small even for the first quarter. Producer associations expect members to renew their subscriptions in numbers after harvest and sale of the dryland crop in Q3. Membership figures are expected to increase (new members and renewals) once producer organizations are seen to be providing tangible services to members. In Q2, ACP will commission a study to help producer organizations identify demanded services for members
ACP 3 Increase in client coverage and/or customer outreach of supported market facilitation institutions /organizations	625	0	Work has been planned for coming quarters
4.5.2-42 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	7	Achievement small even for the first quarter. Expect accelerated adoption in coming quarters as support to training institutions and firms gets underway

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	30%		93%		Remarkable achievement but there is need to treat the figure with caution as it is based on one ToT of independent trainers. The independent trainers are proving to be fully converted. Of the trainers that attended the course, 93% of them showed increased agreement with the concept that males and females should have equal access to social, economic and political opportunities at the end of the course
ACP 4 Number of market facilitation institutions/ organizations that, as a result of USG assistance, are in each of the following 3 stages. Stage 1: Undergoing capacity/competency assessment. Stage 2: Undertaking capacity/competency strengthening. Stage 3: Making significant improvements	Stage 1	4	Stage 1	0	Work has been planned for coming quarters
	Stage 2	3	Stage 2	0	Work has been planned for coming quarters
	Stage 3	3	Stage 3	0	Work has been planned for coming quarters
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	5	Significant achievement for the quarter. Expect to meet the set target
	Stage 2	12	Stage 2	4	Significant achievement for the quarter. Expect to meet the set target
	Stage 3	8	Stage 3	4	Significant achievement for the quarter. Expect to meet the set target
	Stage 4	3	Stage 4	3	Annual target achieved. LMAC was successful in advocating for change in prohibitive regulations to authorities in time for inclusion in the 2013 Budget Statement
	Stage 5	4	Stage 5	3	Significant achievement for the quarter. Expect to meet the set target
ACP 5 Representative bodies of farmers and agribusinesses and commodity associations effectively advocating in public forums and Parliamentary committee meetings	85		52		Remarkable achievement for the quarter. The set target will be met.
GNDR-2 Proportion of female participants in USG-assisted programs designed to increase access to productive economic resources (assets, credit, income or employment)	30%		33%		Actual for 2013 confirms baseline estimates for female participation in ACP events designed to increase access to productive economic resources (income or employment). For example, stakeholder consultations on some regulations was

			aimed at reducing input costs and increasing incomes of producers
4.5.2-7 Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	120	98	Remarkable achievement for the quarter. The set target will be met.
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	12	Achievement small even for the first quarter. Expect accelerated adoption in coming quarters as support to training institutions and firms gets underway
4.5.2-37 Number of micro, small and medium enterprises receiving business development services from USG assisted sources	4 000	483	Achievement very small even for the first quarter. Expect the number of businesses receiving business development services to increase in coming quarters following the adoption of recommendations from the services identification consultancy work scheduled for quarter 2.

# CHAPTER IV: ENVIRONMENTAL ISSUES

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

During the reporting period, Zim-ACP's ensured that where consultants were hired to facilitate policy and regulatory reforms, their terms of reference require that they carry out a technical, economic, social, legal and environmental impact analysis of the proposed reforms to inform the way forward.

During the reporting period, environmental analysis was conducted to inform reforms on the poultry, stockfeed and animal health regulations. Environmental analysis was also conducted to inform the advocacy position on statutory instruments proposed by AMA to regulate the poultry sector.

During the training on lobbying and advocacy, producer organizations were encouraged to conduct an environmental analysis of agricultural policies and their impact on the environment. These include policies aimed at increasing horticultural and cotton crop productivity such as chemical pest controls some of which may be harmful to the environment. Producer organizations were urged to take a lead in the campaign against *veld* fires and deforestation, among other environmental hazards.

To facilitate integration of environmental issues in partner organizations' policies and programs, Zim-ACP plans to train leadership and management of unions, commodity associations and agribusiness organizations on environmental awareness so that they can develop organizational policies and strategies for environmental protection.

# CHAPTER V: GENDER ISSUES

## ZIM-ACP's Approach to gender mainstreaming in the organization

Zim-ACP is committed to mainstreaming gender to contribute towards gender equality and best use of human resources in Zimbabwe's agriculture private sector. Zim-ACP recognizes gender equality as both a fundamental human right and a key to effective and sustainable economic development. The Zim-ACP approach is to encourage the involvement of both men and women in the program at various levels; as participants in training sessions, meetings, workshops and discussion forums, and as presenters, facilitators or researchers. Table 3.4.3 shows that about 33 percent of participants in workshops organized during Quarter 1 were women. Zim-ACP aims to contribute towards gender equality by creating opportunities for both males and females to participate, contribute and benefit from Zim-ACP organized events. Zim-ACP will therefore continue making an effort to increase women's participation in workshops and stakeholder consultations. In inviting men and women to participate in events, Zim-ACP worked closely with associations to ensure that they sent knowledgeable and informed male and female leaders who were able to articulate their constituencies' issues and report back on matters discussed. Where rural men and women were invited to events, the option of using the vernacular during the proceedings or training was exercised. This allowed women to be heard despite their low literacy levels.

**Table 3.4.3: Workshops and Meetings organized and/or facilitated by ZIM-ACP**

Date	Workshop/Meeting Title	Venue	Attendees			Average Overall Rating
			Male	Female	Total	
3-4 October 2012	Harare Joint SMAZ, PPAZ, and ZPA Symposium, LMAC Regulatory Review Consultative Meeting	Aleck Hampshire Boardroom, Harare	41	21	62	*
9 October 2012	Masvingo Province Regulatory Review Consultative Meeting	Masvingo	21	8	29	*
10-12 October 2012	Masvingo Lobbying and Advocacy Workshop	OCCZIM, Masvingo	16	9	25	84.7
16-17 October 2012	Midlands Province Regulatory Review Consultative Meeting	Gweru	19	3	22	*
25 October 2012	Feedback meeting on Capacity Assessment Study of BSPs	Zim-ACP Offices	18	2	20	80.1
25-26 October 2012	Mashonaland Central Province Regulatory Review Consultative Meeting	Bindura	20	6	26	*
31 October 2012	Capacity Assessment of the Animal and Plant Health Food Safety Study Feedback Meeting	Zim-ACP Offices	6	3	9	*
1 November 2012	Zim-ACP Strategy Review Meeting	Cresta Oasis, Harare	14	6	20	74.2
15 November 2012	Zim-ACP Strategy Review Meeting	Zim-ACP Offices	14	6	20	85.4
21 November 2012	ZWPFT Annual Conference	Art Farm	47	53	100	77.6
4-5 December 2012	Coffee Stakeholders Meeting	Golden Peacock Villa, Mutare	21	5	26	95
6-8 November 2012	Business Service Providers ToT	Zim-ACP Offices	9	5	14	88.7
22 November 2012	Training Strategy Review	Zim-ACP Offices	13	7	20	87.6

	Meeting					
6 December 2012	HPC Taskforce Meeting	HPC Boardroom	9	4	13	80
7 December 2012	Legumes CIBER Results feedback meeting	Mandel Training Centre	8	5	13	77
12 December 2012	LMAC Poultry RIA Meeting	Aleck Hampshire Boardroom	35	13	48	78.5
<b>TOTAL</b>			270	135	405	

Zim-ACP recruitment exercises conducted during the quarter, including researchers, workshop facilitators and long term technical positions, were openly advertised giving equal opportunities for qualified men and women to apply. The selection and short-listing process ensured a balance of qualified men and women. Of the 18 staff recruited by the program during the reporting period, eight were male while 10 were female.

All SOWs for consultancy services developed during the Quarter compelled the consultant to ensure gender issues were considered throughout the work. This included ensuring participation and contribution of men and women in providing information for the study and presenting sex disaggregated data.

#### **Gender mainstreaming in training activities**

The only ToT conducted during the reporting period, (6-8 November 2012 on Business Skills for Distribution Networks of Input Suppliers), included a session on gender mainstreaming. The objective of the session was to create awareness and contribute to attitude change towards the importance of gender equality and female empowerment as a fundamental human right, and as a key to effective and successful development. The trainees' attitudes to gender equality were assessed before and after the ToT, with the aid of a short questionnaire (**Annex 14.3**). Analysis of the assessment results showed that 93% of the trainees had a positive attitude about whether men and women should have equal opportunities in social, political, and economic spheres. This figure proves that Zim-ACP has been effective in its efforts to promote gender equality among the independent trainers who were targeted for this ToT.

In the lobbying and advocacy training, producer organizations were advised to conduct a gender analysis of the present policy/situation and of the alternative policy it is recommending. This analysis had to include:

- Differential economic implications of policies on men and women
- Differential consequences for men and women in areas of public services
- Impact on ability of women and men to participate in decision making at different levels (local, community, business etc)
- Social/cultural/status/legal implications for women and men
- Progress made in getting the board and senior management to understand and support gender mainstreaming in analysis and advocacy of the policy.

The review of livestock regulations currently underway includes a look at the impact of proposed reforms on male and female value chain actors in the poultry, animal health and stock feed sectors. The analysis of the regulations will be presented to a cross section of stakeholders for validation and endorsement of the gender, technical, economic and environmental analysis.

# CHAPTER VI: LESSONS LEARNED

## **LESSONS LEARNED UNDER COMPONENT 1**

Pro-active partner organizations such as LMAC, DOHOPA, MABC and ZWPFT have vigorously acted on our support to them through the activities they engaged in during the quarter. By making effective use of the technical support for evidence-based position papers through its proactive policy advocacy, LMAC has been able to demonstrate the value of evidence-based research and policy analysis.

## **LESSONS LEARNED UNDER COMPONENT 2**

Discussions with the incoming Director of Economics and Markets, and the Co-Chairperson of the SPS Committee, on the value of the information and findings of the capacity assessments of market facilitation institutions, (SPS, Food Safety Quality and Standards and Livestock Identification and Traceability), were valuable. This supported commissioning the Warehouse Receipt Systems study.

## **LESSONS LEARNED UNDER COMPONENT 3**

Linking trainers to manufacturing and importers of agricultural inputs helps input suppliers to deliver training to their distribution networks more efficiently and at lower costs. In discussions that took place during the workshop to disseminate the findings of a Capacity Assessment for BSPs in the Livestock and Animal Health Sector, manufacturers and importers indicated that they would not necessarily have to reestablish their training departments which were either disbanded or downsized as firms rationalized their staff at the height of economic meltdown, between 2006 and early 2009.

# CHAPTER VII: CHALLENGES

## **CHALLENGES UNDER COMPONENT 1**

Delays in accessing information on the policy-related and advocacy activities of our partners, (mainly ZCFU and ZFU), remain a challenge. This is mainly because the two ZCFU and three ZFU counterparts are generally busy, or don't prioritize improving organizational or advocacy competence, or member needs. A system that allows this information to be readily available has been discussed but is yet to be agreed on.

As the main conduit appointed for private sector agriculture and livestock to advocate for change or reform, AMA does not take due consideration of issues on the one hand, and lays onerous levies on producers on the other.

In the Cotton CIG both Quton and AMA answered questions arising from the August Cotton Indaba sponsored by USAID/Zim-ACP. At the Indaba, growers protested that they were not paid for cotton seed extracted from their crops by Quton and that cotton seed for planting was not widely available. Quton responded that it would open more outlets and pay reasonable prices tied to other inputs. This was not satisfactory to growers, and the AMA response was to disband its Cotton Technical Committee and cut PPD access. As a result progress in this CIG remains elusive.

## **CHALLENGES UNDER COMPONENT 2**

Judging from the capacity assessment studies completed to date, the resources required to revamp the market facilitation institutions are substantial. The institutions and organizations assessed had expected that at the conclusion of the studies financial resources would flow. Zim-ACP intends to work with some of the organizations to package the findings and recommendations to seek needed resources. Likewise, it is a challenge that market institutions would often require supporting the public sector, such as in commodity exchange, as they have declared maize off-limits to private sector top level commercial management.

## **CHALLENGES UNDER COMPONENT 3**

Some trainers that were invited to participate on the TOT workshop on the use of the Agri-Inputs Business Development Training Manual could not participate because they would not make the required contribution towards training expenses. This may reflect an undervaluing of potential resulting income or a belief that donors should offer assistance FOC.

# CHAPTER VIII: NETWORKING & COLLABORATION

## **NETWORKING AND COLLABORATION UNDER COMPONENT I AND 2**

In the Quarter, Zim-ACP collaborated with Technoserve in helping the Zimbabwe Poultry Association to develop a brand name (ZimBird) for Zimbabwean poultry and poultry products. This is part of the marketing strategy to improve the quality and competitiveness of poultry produced in Zimbabwe. Technoserve sponsored a ZPA team's visit to Brazil to study the development and structure of the industry there. Zim-ACP, through the LTTA at LMAC, will assist ZPA to incorporate the information in developing their strategy for the poultry industry.

# CHAPTER IX: CONCLUSIONS

## CONCLUSIONS UNDER COMPONENT 1

The quarter has seen the coming to maturity of a number of activities initiated in the past year. As a result of the Strategy Review Meeting, Zim-ACP and the partners agreed that strengthening leadership and governance would be key to building the credibility of the organizations as representative bodies for advocacy.

In organizing its first annual conference and mobilizing a wide spectrum of participants, the ZWPFT proved that its organizational and advocacy capacities have developed quickly since it started receiving support from Zim-ACP at its formation in 2011. Its existence and role as a representative and advocacy organization for smallholder and “informal” poultry producers has been enhanced among the poultry producers and value chain stakeholders.

LMAC’s persistent evidence-based engagement with the public sector on existing and emerging policy and regulatory issues using evidence from background studies and CIBER Assessment research has borne fruit. Through Zim-ACP technical support for evidence-based position papers, LMAC’s stature as an industry representative organization among the public sector entities has grown. While there have been no satisfactory results from advocating to AMA, there has been some success with the Ministry of Finance. And in the CIBER and Animal Health Act exercises, LMAC has acquired valuable advocacy know-how. Zim-ACP support for the revitalization of the Horticulture CIG has received the attention of the new Director of the Economics and Markets Department at the Ministry of Agriculture, who has called for the industry to craft a development strategy mapping out the participation of smallholder producers in local and export markets.

## CONCLUSIONS UNDER COMPONENT 2

As a result of the agreement between Zim-ACP and the Standards Association of Zimbabwe (SAZ) on the Action Plan for collaboration, Zim-ACP initiated activities for building the capacity of SAZ to support the strengthening of market facilitation institutions for quality, food safety and standards.

## CONCLUSIONS UNDER COMPONENT 3

Following the Training Strategy Review workshop hosted by Zim-ACP on 22 November 2012, a new training strategy was adopted that links training institutions and accredited trainers to membership organizations to improve training services for agribusiness enterprises. Zim-ACP’s role in the strategy is to facilitate the linkages and build the capacity of trainers to offer quality services through TOTs, events and TA.

As a result of the TOT on the use of the Agri-Inputs Business Development Training Manual, the capacity of 14 trainers, (9 male, 5 female), including independent trainers and those from private agribusiness training institutions, to use the manual for training owners and managers of agri-inputs businesses was developed. The manual is designed to upgrade the business skills of the distribution networks of higher

level input suppliers (manufacturers and importers). Those to be trained include franchisees of higher level input suppliers, traders and dealers.

Following the one-day workshop to disseminate the findings of the capacity assessment for livestock and animal health BSPs conducted by the program's subcontractor, LOL, to stakeholders in the agricultural sector, four broad actions, for strengthening input suppliers and improving input supply services in the agricultural industry, were prioritized and adopted as follows:

- i) Improving access to credit by availing information on the range of financial packages that are available from different financial institutions
- ii) Improving communication with rural customers through training on the use of cell phones to deliver technical and service information to customers in rural areas
- iii) Upgrade the business skills of agents and dealers of higher level input suppliers through training.
- iv) Conduct a transitional farmer attitude and utilization habits study for products and services.

To respond to the needs identified by manufacturers and importers in the agricultural industry, Zim-ACP incorporated the listed activities into its work plan for FY2013

Following the investment that was made by Zim-ACP in developing trainers during the first two years of the program, accredited trainers are now providing business training services on a commercial and sustainable basis to business enterprises.

# CHAPTER X: BUDGETARY



# CHAPTER XI: ANNEXES

**(Annexes are provided as separate attachments to this report)**

Annex 1: FTFMS

Annex 2: ZCFU Turnaround Strategy on Leadership, Organizational Development & Good Governance

Annex 3: Warning Letter on Illegal Imports Published in the Press

Annex 4: AMA Promulgated Amendments to Cotton Statutory Instruments

Annex 5: Issues Discussed in Public Meetings Attended by Representatives of Farmers, Commodity and Agribusiness Associations

Annex 6: Draft Concept Note on Public-Private Dialogue

Annex 7: Action Plan on ZFU Masvingo Advocacy & Lobbying Capacity Building Workshop

Annex 8: Regulatory Impact Assessment of proposed Poultry & Poultry Products SI

Annex 9: LMAC Submission to AMA and MAMID on Stakeholder Response to Poultry & Poultry Products SI

Annex 10: Legal Researcher's Analysis of the AMA Poultry & Poultry Products SI

Annex 11: Action Plan for Zim-ACP and SAZ Collaboration

Annex 12: Framework for Collaboration in Zimbabwe between G-Analyti-X (and Mobipay and AgriLife) of Kenya with the Financial Clearing Bureau (FCB)

Annex 13: Event Evaluation Reports

Annex 14: M&E Survey Instruments

14.1 Profitability Questionnaire

14.2 Questionnaire on Value of Resources Leveraged

14.3 Questionnaire to Assess Attitude to Gender Equality

Annex 15: Success Story

Annex 16: Published Articles