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END OF PROJECT EVALUATION USAID/ZAMBIA ECONOMIC GROWTH PROGRAM

Projects Evaluated:

- (1) PROFIT: The Production, Finance, and Improved Technologies Project
- (2) ZATAC-COI: Zambia Agribusiness Technical Advisory Center – Copperbelt Outgrower Initiative
- (3) FSRP: Food Security Research Project
- (4) ACF: Agricultural Consultative Forum

March 15, 2011

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DISCLAIMER

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

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ACRONYMS

USAID	United States Agency for International Development
ACCE	African Carbon Credit Exchange
ACF	Agricultural Consultative Forum
AIDS	Acquired Immune Deficiency System
ASIP	Agricultural Sector Investment Program
AWFMZ	Association for the Welfare of Former Miners in Zambia
BDS	Business Development Services
CAADP	Comprehensive African Agricultural Development Program
CCN	Cooperating Country National
CGA	Central Growers Association
CLUSA	Cooperative League of the USA
COI	Copperbelt Outgrower Initiative
COMESA	Common Market Eastern and Southern Africa
CoP	Chief of Party
COTR	Contract Officer's Technical Representative
CSO	Central Statistical Office
CTO	Contracting Technical Officer
DANIDA	Royal Netherlands Embassy, Dutch foreign assistance development assistance
DFA	Department of Foreign Assistance
DG	Democracy and governance (USAID Program Objective)
DoS	Department of Foreign Assistance
dTS	Development & Training Services, Inc.
EDZ	Environment and Development in Zambia of T&C
EG	Economic Growth (USAID Program Objective)
EOP	End of Project
ES	Evaluation Services
FANRPAN	Food, Agriculture, and Natural Resources Policy Analysis Network
FAR	Federal Acquisition Regulations
FISP	Farm Input Supply Program
FRA	Food Reserve Agency
FSRP	Food Security Research Project
FTF	Feed the Future (USAID Initiative)
GART	Golden Valley Agricultural Research Trust (a Zambian para-statal)
GATE	Greater Access to Trade Expansion
GDA	Global Development Alliance
GRZ	Government of Republic of Zambia
GTAZ	Grain Traders Association of Zambia
HHP	Herd Health Program
IFC	International Finance Corporation (Branch of World Bank)
IDIQ	Indefinite Delivery, Indefinite Quantity
IP	Implementing Partner
IPPT	Indicator Performance Tracking Table
IQC	Indefinite Quantity Contract

LACCU	Lubulima Agricultural and Commercial Union
M&E	Monitoring and Evaluation
MACO	Ministry of Agriculture & Cooperatives
MATEP	Market Access, Trade, and Enabling Policies Project (USAID)
MCM	Mopani Copper Mines (in Copperbelt of Zambia)
MIF	MATEP Investment Funds
MLFD	Ministry of Livestock and Fisheries Development
MSU	Michigan State University
NGO	Non-governmental Organizations
NORAD	Royal Norwegian Embassy, Norwegian Development Assistance
NRM	Natural resource management
OP	Operational Plan
PGE	Producer Group Enterprises
PIRs	Performance Indicator Reference Sheets
PMP	Performance Monitoring Plans
POC	Point of contact
PROFIT	Production, Finance and Improved Technologies Project
PVO	Private Voluntary Organization
RFP	Request for Proposal
SDB	Small Disadvantaged Business
SIDA	Swedish International Development Agency
SME's	Small and Medium Enterprises
SO	Strategic Objective
SOW	Scope of Work / Statement of Work
SPSS	Statistical Package for the Social Sciences
STA	Senior Technical Advisor
STATA	Just a short name of statistics
TCN	Third Country National
TDA	Trade Development Agency
UN	United Nations
UNZA	University of Zambia
US	United States
USADF	U.S African Development Foundation
USAID	United States Agency for International Development
USAID/W	USAID/Washington
VAT	Value Added Tax
WFP	World Food Program
WID	Women in Development
ZARI	Zambian Research Institute
ZATAC-COI	Zambia Agribusiness Technical Advisory Centre, Copperbelt Out Grower Initiative
ZEOCO	Zambia Extracts, Oils, and Colorants
ZESCO	Zambia Electricity Supply Corporation Limited
ZNFU	Zambia National Farmer' Union
ZESCO	Zambia Electricity Supply Corporation

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EXECUTIVE SUMMARY

This report presents project evaluations of four USAID/Zambia economic growth projects: (1) Production, Finance, and Improved Technologies (PROFIT), (2) Food Security Research Project (FSRP), (3) Agricultural Consultative Forum (ACF), and (4) Zambia Agribusiness Technical Advisory Centre, Copperbelt Out Grower Initiative (ZATAC). Each of the projects under review unquestionably contributed to USAID/Zambia’s overall goal of increasing the competitiveness of Zambia’s private agricultural and natural resources sector. Some accomplishments were quite outstanding. Degrees of success were realized for each of the four Intermediate Results of Strategic Objective 5. Most of the objectives of these projects were achieved or exceeded. Had better performance monitoring taken place, the evaluation team believes that we would have been able to identify even greater impact than was reported on formally.

In a recent study on Zambia’s agricultural sector, the statement is made that “*Zambia is in a unique position to not only leverage agriculture as an engine for poverty reduction and improved nutrition, but to become the “breadbasket.” of southern Africa. Relative to other countries in the region, Zambia has an abundance of fertile land, water, and a generally favorable climate for agricultural production.*”¹ The evaluation team’s observations in traveling throughout Zambia, either during this evaluation, or in prior visits, are that this is certainly a factual observation. Zambian smallholder farming households have, unlike many other countries in Africa, the potential to greatly expand their land holdings for agriculture, and with improved techniques and higher yielding varieties, have no reason to be facing poverty or food insufficiency.

However, increasing agricultural productivity does not necessarily mean that the household nutrition requirements for these households are sufficient, and existing Zambian data show that there are significant problems with malnutrition in many regions. Women led households met in one ZATAC farm community were beginning to produce a regular income stream from the sale of their fresh milk, banana, and vegetables – but were looking at the market first, and not their own household needs. Many of their households had as many as eight or nine children, many orphaned, and while certainly benefiting from the more available food resources, these could have been better utilized. Project support to smallholder households needs to pay attention to training of household mothers in the appropriate use of household food resources to give their children the best start in life possible. Yet both PROFIT and ZATAC, which worked closest to smallholder households, did not look closely at the impact of their activities on these households themselves – but focused on production. Ultimately, the economic growth sought for through these and similar USAID programs in Zambia are concerned at this household level, and greater future attention will need to be given to this. The upcoming Feed-the Future Initiative is focused to address just this issue.

The evaluation team was asked to assess whether or not USAID/Zambia Economic Growth SO 5 project - ZATAC, PROFIT, ACF, and FSRP - had “*achieved the goals as originally agreed, and to what extent project outputs contributed to the economic growth program assistance objective*”. Three specific evaluation questions, as well as a series of sub-questions, were framed by USAID/Zambia in our Scope of Work.² These questions and our summary responses to them are provided in the text below, with much greater detail provided in the four stand-alone PROFIT, ZATAC, FSRP, and ACF annexes 6, 7, 8, and 9 at the end of this report.

Following the summaries below, we have also provided what we believe to be the major conclusions drawn from our evaluation. Some recommendations are also offered to USAID/Zambia here, though more specific

¹ Sitko, Chapoto, et. Al., “Background Data on Zambia’s Agricultural Sector: In Support of the USAID Mission’s Feed the Future Strategic Review, January 11, 2011.

² The evaluation scope of work may be reviewed in Annex 1

recommendations have also been given to the different projects evaluated in the annexes. The evaluation questions are:

Strategic Design:

1. Was the Results Framework structured effectively to lead to the SO5 objective – results – targets?
2. Which sub-tasks or individual activities of the project were most/least effective, why?
3. Assess how the project achieved performance targets.
4. Was the project successful in promoting smallholder farmers' welfare, in terms of increased incomes, and increased sales? The question does not apply to ACF and FSRP.
5. Have project activities supported creation of self-sustaining economic linkages? To what extent has the project prepared similar organizations/projects to take up its current role?
6. Have private sector partners integrated HIV/AIDS prevention into the core of their businesses? The question applies to PROFIT and ZATAC.
7. What were the major accomplishments of each project?

Operational:

8. To what extent were the individual projects linked in order to contribute to the overall SO5 objective of increasing private sector competitiveness?
9. Has the project contributed to the overall economic growth assistance objective of increasing private sector competitiveness?
10. Which tasks in the program description contributed most/least to the assistance objective?
11. Do project outputs contribute to the assistance objective?
12. Has the project delivered value for the money? Has this been a cost effective intervention?

Impact:

13. Were the individual project objectives – results – targets reached as expected?

Feed the Future (FTF) Initiative:

14. What commodity value chains have the greatest potential to contribute to FTF objectives, based on an analysis of potential to reduce poverty, increase food security; provide economic and social benefits to women; provide returns on investment and other economic benefits (including employment); and have significant potential to scale up.

SUMMARY OF RESPONSES TO KEY EVALUATION QUESTIONS

STRATEGIC DESIGN

PROFIT

The most effective activity of PROFIT has been the establishment of sustainable linkages between private sector input and services supply firms and smallholder farmers. Since the situation is a “win-win” for both the firms and farmers, it is in the interest of both sides to continue this linkage. The agents also have a vested interest in continuing to play their role; they gain not only from the commissions earned on sales, but the status gained in the communities as sources of valuable extension information from training provided by the firms. Linking commercial firms to smallholder farmers is a landmark achievement that radically improves smallholder farmers’ production and productivity (detailed below).

PROFIT’s development of new financial tools was also a highly successful activity. Support (technical as well as financial) provided by the project enabled the establishment of a mobile payment network that significantly decreases transaction costs as well as makes transactions more accessible to smallholder farmers. The project’s support for the establishment of a leasing scheme for smallholder farmers to procure tractors, which ultimately had “buy-in” from the commercial banking sector, increased the area smallholders can plant to crops, as well as reducing labor requirements. Additional revenue is generated in the community via the services provided by the tractor-beneficiaries both to other farmers and to output markets. The cotton company, which initiated the scheme, Dunavant, also benefits in receiving larger volumes of cotton (increased hectares along with provision of delivery services by the tractor-owners).

The ACCE, which came into being thanks to PROFIT’s financial and technical support, is likely to prove to be one of the project’s most successful activities, as evidenced by the fact that branches now exist in several countries in Africa. This is also a “win-win” arrangement: farmers benefit from both the improved micro-climate provided by the agro-forestry trees and reduced fuel-wood use through the more efficient stoves, along with revenues generated from the sale of carbon credits. The exchange generates revenues from carbon credit sales, and buyers (developed countries contributing most to carbon emissions) will benefit from an alternative means to reducing global warming (purchase of credits rather than reduction of emissions via closing/scaling down manufacturing and other industries).

PROFIT was less effective in bringing about private sector integration of HIV/AIDS prevention. The initiative to link smallholder pineapple producers to a major buyer also failed after a couple of years of project effort, largely as a result of failure of both producers and the buyer to adhere to the agreement, resulting in both dropping out of the scheme. Additionally, the commodity exchange, ZAMACE, established with PROFIT’s financial and technical support may fail due to interference in the maize market from the FRA, along with the commercial farming sector’s apparent lack of strong support for the exchange.

PROFIT achieved many targets through the establishment of the agent network that supplies inputs and services (along with extension advice) to smallholder farmers, as well as some support for aggregating their produce for output markets. By “mapping” areas where agricultural inputs and services were in demand by smallholder farmers, and helping the firms to sell their products to the farmers through the trained agents, the project put in place a sustainable mechanism to link the private and smallholder sectors.

Additionally, the project developed new financial tools to make financial transactions with smallholders easier to conduct in an efficient and cost effective manner, and made credit available to them, previously impossible because of their being considered as an “unbankable” group.

PROFIT also provided support in the form of technical assistance (working with the ZNFU and providing consultants) to revise various “Acts” related to the agricultural sector so as to improve the environment for doing business in the agriculture sector in general and for smallholder farmers in particular. Finally, PROFIT provided support (both technical and financial) to the development of the novel ACCE, which has since branched out from Zambia to other countries in Sub-Saharan Africa and to a lesser extent the commodity exchange, ZAMACE. By being willing to first listen to and then work with the Zambian businessman behind this scheme, PROFIT enabled the exchange to come into being through a combination of technical support (consultants, who are still working with ACCE), linking the scheme to smallholder farmers already involved in the project’s activities as well as provision of “start-up” funds in the form of a grant.

PROFIT definitely succeeded with respect to improving the well-being of smallholder farmers; by the end of 2010, the project had already achieved the following:

- 182,729 households, representing more than 1 million people, now use improved inputs (i.e. hybrid maize) and services thus increasing the productivity of crops grown (especially maize and cotton) and livestock.
- The value of sales of food and non-food (e.g. cotton) agricultural production of smallholder farmers with whom PROFIT worked exceeded \$91 million by 2010 (and this does not count the increasing value of household cattle herds from reduced mortality).
- Increased value of production per household unit increased dramatically in some cases. The evaluation team instigated snap survey of 358 households benefiting from PROFIT in four provinces showed more than doubled household income to \$2,239/household during the 2009/2010 season from three years earlier – much of this from increased maize production and sales. Extrapolating across the entire range of PROFIT households impacted since the beginning of the project, these impacts are impressive indeed. Dairy alone in PROFIT households showed increases exceeding \$1,131 per household.
- From almost nothing, PROFIT assisted specific smallholders to be able to sell over 19 million liters of milk to Zambian milk processors
- Input sales by private sector Zambian firms to smallholder farmers increasing each year, with a 57% increase in 2010 alone to \$1,158,951 of sales. By 2010, the total value of input sales and services to smallholder farmers exceeded \$97 million.
- 57,473 smallholders purchased inputs from their community agents last year, a 10% increase in the number of smallholders from the previous year.
- Maize acreage cultivation is increasing, from an average of 1.57 hectares in 2009 to 2 hectares in 2010. Total hectares in maize increased by 8% for PROFIT supported groups in 2010 to 114,946 hectares under hybrid maize sold by the agent network.
- Over 2,485 community-based agents are now serving benefiting households. The ‘micro-enterprises’ represented by each of these agents are funded though commissions earned on the sale of inputs and

services from private sector firms. Each agent is free to sell products/services from more than one firm.

- Within the livestock sector, some 7,823 households, representing at least 50,000 people) are being served by 93 agents representing one or more of the ten firms worked with by PROFIT. Inputs/services purchased include control of tick-borne diseases. Livestock mortality reduced, with corresponding herd increases (beef and dairy).
- Hybrid maize seed sold through agents increased by 60% in 2010 over the previous year, with smallholder farmers spending \$824,163 for such seed from the agent network.
- Herbicides and application services sold by agents to smallholder farmers increased by 26% in 2010 alone, with farmers expenditures of \$4,425,421.
- \$185,000 of income earned in commissions by community agents from their sale of input from the firms they are associated with; this income represents a very important inflow of capital into these communities.
- PROFIT assisted honey and cotton firms exported close to \$20 million to regional buyers.
- On a more macro sense, PROFIT monitored data aggregated from information they obtained from the Ministry of Livestock & Fisheries for beef, milk from dairy processors, honey (from honey processors), and cotton out-grower companies, which combined showed an increased productivity during the period of the PROFIT, through 2010 of almost \$180 million.

PROFIT's approach of being a "facilitator of market system change – that is an agent that stimulates change but does not become part of it" enabled it to maximize leveraging and achieve sustainable impact.

PROFIT's agent network, which is linked to private sector firms, will largely be self-sustaining after the project ends. The commodity exchange, ZAMACE and the carbon credit exchange, ACCE, both stated they are not yet ready to be weaned off of the technical and financial assistance PROFIT has been providing. The Zambian entity, MUSIKA Zambia Ltd. is well positioned to provide this and other support to initiatives launched by PROFIT should it receive adequate financial support once PROFIT ends.

Private sector partners have not integrated HIV/AIDS prevention into the core of their businesses primarily because PEPFAR funds ran out before activity could be fully implemented. However, the agent model used by the project to extend these messages did prove to be an effective mechanism to reach out to smallholder farmers.

Finally, the major accomplishments of the PROFIT project include the following:

- Linking the smallholder farmers to private sector input and service supply firms through the agent network
- Development of more cost effective and easily accessed livestock care services and supplies, including incorporating use of private sector vets in rural areas
- Development of new financial tools for the agricultural sector (e-payments, provision of tractors on a leasing basis, the ACCE, use of commodity exchange for WFP P4P purchases)
- Provision of technical assistance to bring about changes in policies affecting the agricultural sector.

ZATAC

ZATAC's adaption to USAID's SO 5 Results Framework helped the project to focus its activities in such a way as to clearly make a significant contribution to the objective of increasing private sector competitiveness in both the agricultural and natural resources sector, and other important sectors of the economy. Better use of their PMP and increased attention to household level impact of their activities would have improved reporting on project impact.

ZATAC's focusing on commodities that produce year-round income streams for smallholder farmers were the most effective – commodities like fresh milk (through dairy), eggs, banana, vegetables, fish and pork. Households benefiting from ZATAC-COI focused efforts (the three irrigation sites, and 17 micro-businesses) are receiving annual incomes of over \$1,500, well in excess of the poverty level within Zambia (at \$1/day). Those activities that were much less successful were those that sought to increase household incomes through production of rain-fed crops (paprika, coffee, peppers) and honey – largely because of the failure of the Zambian firms responsible to market these commodities. This failure can therefore not be attributed to any lack of effort on the part of ZATAC itself.

Lack of PEPFAR funding did not permit the program to carry forward its efforts in HIV/AIDS prevention, though the Copperbelt Mine partners of the program have initiated efforts on their own in this area.

Among the most significant accomplishments of the project would be the establishment of well-thought out client business plans, linked to the use of an excellent small-business software system for tracking profits and losses over time. ZATAC Ltd. itself is a very significant USAID success story – the creation and launching of a Zambian owned and operated agribusiness training center capable of providing professional advisory services to rapidly multiplying agribusiness firms along a multitude of commodity chains within different parts of the country – not just the Copperbelt.

ZATAC Ltd. has also succeeded in attracting the attention of important donor partners that are helping ZATAC to reinforce existing efforts in the Copperbelt, as well as leverage funding to reach sustainability of these ventures.

Project performance targets for creation of jobs, increasing household level incomes, and placing small-business loans exceeded EOP targets, while several indicators fell significantly short of targets for total values and volumes of production. This however was for reasons outside of ZATAC's control. Complications around ZATAC's policy of providing Copperbelt loans, and responsibility with the MIF, and the existing 45% of outstanding loans that are in default, has been a negative story that can still be turned around to benefit future loans to private sector Zambian firms.

FSRP

The FSRP results framework was not structured very well, with respect to what the program was designed to accomplish within the contest of the USAID SO #5 framework. A quick review of the project results framework (Annex 8, Figure 2) shows that only Intermediate Result 5.4 was targeted for indicator performance review for three areas of program enabling support: capacity building, applied research, and outreach. For an \$8 million project, only 3 operational output indicators were tracked, with no outcome or impact indicators identified at all. At the lower levels within Figure 2, the three branches are mirror images of each other, not really providing additional information. The real problem with this framework is that FSRP actually contributed to other SO 5 Intermediate Results as well – something actually pointed out in the initial project proposal as well. FSRP actually contributed to the other three IRs of SO 5: IR 5.1 Increased Access to Markets/Trade & Investment Area, IR 5.2 Enhanced Value-added Production and Service Technologies/Agricultural Productivity/Private Sector Competitiveness, and IR 5.3 Increased Access to

Financial & Business Development Services/Economic Opportunities/Financial Services. The Results Framework should have had four branches correspondent to each of these IRs, and the branch concerning the ‘enabling environment’ would then have appeared only once, with its three sub-branches. Yet not one output, outcome, or impact indicator was ever developed to track performance of this kind.

FSRP was most effective in organizing for and then implementing the applied research activities identified by either itself, or its stakeholders as necessary to inform public debate and to move or revise proposed legislation. Though FSRP was designed to ‘go through’ ACF’ for much of its policy identification and then communications with GRZ, FSRP because of its significant resources and professional staffing soon overshadowed ACF in this regard as well. FSRP quickly covered the entire range from identification of themes for research policy, to the applied research itself, and then in the communication with GRZ and other stakeholders about the implications of this research on public policy. Perhaps one reason the ACF increasingly seems to have become diminished in effectiveness over time was because its sector stakeholders were not well organized enough as a group to drive the agenda and ended going directly to FSRP to drive specific interests of the stronger organizations.

FSRP was also highly influential through the web page that was established and in which one could have access to the wide range of professional research papers and studies undertaken. 211 documents are currently posted there, representing a very valuable resource both nationally as well as regionally/internationally.

In terms of sustainability, FSRP activities are not sustainable within Zambia as currently structured. Should USAID funding end, the MSU-led program would probably gradually disappear from Zambia as project personnel were terminated or moved away.

ACF

The background justification for the creation of the Agricultural Consultative Forum was to bring Zambian private sector stakeholders together in a manner that would permit dialogue and assessments of issues of concern to them with respect to national agricultural macro policies affecting competitiveness. Their mission statement reads: *“To promote in a non-partisan manner, evidence based private-public sector dialogue, consultation and participation in the development, implementation, monitoring and evaluation of agricultural sector policies and programs.”* ACF came into existence at a time when Zambia was transitioning from a centrally controlled and state-run economy to one relying much more on private sector-led growth. An early hypothesis was that *“institutionalized stakeholder consultations (i.e. the Forum) will result in less abrasive meetings between Government and the different lobby groups, resulting in more public-private partnerships as opposed to unproductive counter-accusations”*. This hypothesis has proven itself to have been valid, as the ACF has indeed permitted a great deal of productive interaction between different private sector groups and different Government agencies, including Parliament – leading to new or revised legislation.

With respect to the USAID/Zambia SO #5 Framework, the ACF project contributed most directly to Intermediate Result 5.4: “Improved Enabling Environment in Economic Growth”, and through its activities in the policy arena, has also contributed indirectly to the other three IRs: IR 5.1 “Increased Access to Markets/Trade & Investment Area” IR 5.2 “Enhanced Value-Added Production and Service Technologies/Agricultural Productivity/Private Sector Competitiveness” and IR 5.3: “Increased access to Financial & Business Development Services/Economic Opportunities/Financial Services”. Performance indicators were only developed for IR 5.4 however.

In its early years of existence, ACF was quite effective in serving to bring private sector stakeholders together as a forum to discuss ways to influence GRZ policies, and to launch applied research (through FSRP) to

organize the facts to support different legislative positions. At the time, the ACF Chairperson had direct access to the President of Zambia, which gave the organization some influence. Changes in ACF leadership and a not-fully-engaged board, has weakened its influence in recent years, perhaps also linked to FSRP's own growing influence and leadership.

The bar for ACF performance targets was set very low with only two output OP indicators defined to be achieved within IR 5.4, and these targets were greatly exceeded. No outcome or impact indicators were ever developed which might have helped to keep the organization focused on its primary objective. Because of the complementary nature of the association of FSRP with ACF, the two organizations together could have early on agreed to some more robust system of monitoring program performance and how to quantify outcomes and impacts in all four IR areas. For example, each of the policy initiatives tackled has 'real-life' impacts on private sector firms and smallholder farming households. Baseline values could have been established for each of the policy initiatives, and then through FSRP applied research, impacts quantified by year. For example, how much did the removal of the 45% withholding tax on agricultural products save Zambian firms, once this legislation was passed? How did the partial lifting of the export ban on maize increase exports? With the reduction of the size of the GRZ input packs for smallholder farmers, how much increase (volume, value) was realized in sales by Zambian input supply firms to smallholder farmers – and what was the impact of this on increased yields for smallholder farmers? With the recent signing of the CAADP agreement, should not ACF/FSRP be monitoring increased \$ investment activity into the Zambia agricultural sector, and wouldn't this be directly linked to assessing impact on Zambia's private sector competitiveness? Every one of the 27 policy reform initiatives worked on in the past six years could have been quantified in some way to monitor outcomes and impacts each subsequent year. Reporting on such impact would in turn have become a tool to further encourage ACF and GRZ of the importance of this initiative.

Though not directly attributable to ACF (or FSRP) the evaluation team would affirm that their success in reducing the GRZ subsidized input packs for smallholders did have a direct impact on promoting smallholder farmers' welfare in terms of increased sales of farmer commodities and incomes. How? Though perhaps not the anticipated result, what actually happened was that farmers, knowing the value of these inputs, have increasingly become linked to input supply firms (thanks to PROFIT initiatives) who could provide them with improved seed varieties (i.e. hybrid maize), other products like herbicides to reduce the labor bottleneck for planting and weeding, and other services (increased herd sizes when cattle are sprayed to reduce tick diseases).

To date, neither ACF – nor its complementary partner FSRP – are sustainable entities, and therefore the project has not prepared itself – or similar organizations – to continue its current role into the future. ACF is completely dependent on outside donor support, yet MACO currently influences its agenda and staffing through FSRP, so this reduces the very independence the organization states it values.

OPERATIONS

PROFIT

Linkages between PROFIT and the other SO5 projects were for the most part weak; there was some collaboration with ACF and FSRP both to reform the Fertilizer Support Program, wherein PROFIT and FSRP gave presentations (facilitated by ACE) which showed the negative effects of the direct subsidy program. During the past two years, PROFIT made use of some of the surveys and reports that FSRP had done with MACO, CSO, and ACF, while PROFIT itself furnished FSRP with data for their assessment of the

impact of PROFIT in areas where FSRP was also working – data used for mapping purposes. PROFIT has also worked with ACF to promote liberalization of the commodity markets, and with FSRP on cotton sector issues (Cotton Act, establishment of the Cotton Board, etc.). More and stronger linkages could have helped all projects to improve private sector competitiveness, but there was no structure to ensure regular meetings and subsequent development of collaborative activities. PROFIT has definitely contributed to the overall economic growth assistance objective of increasing private sector competitiveness, as already discussed above.

PROFIT tasks that contributed the most to the assistance objective would include the establishment of the agent network linked to private input and service firms which has brought about increased competition between firms for sales of goods and services to this previously un-reached market. This has also boosted the competitiveness of the smallholder farming sector through sustainably increasing their production and productivity. In some cases linkage of these farmers with output markets (dairy, cotton and to a lesser extent maize) increased their ability to participate in commercial markets. Least contribution: development of a linkage between smallholder pineapple producers and a large scale buyer and attempts to bring smallholder beef farmers into organized, commercial markets (largely due to cultural/traditional views on cattle).

Project outputs definitely contributed to the assistance objectives.

Zambia's agricultural input and service supply industry firms are now competing against one another for sales to smallholder farmers in areas of project intervention

Smallholder farmers are now producing larger volumes of better quality agricultural produce, much of which is sold to commercial markets

A commercial bank has taken on a tractor leasing program which will ultimately reach a large number of smallholder farmers and increase the area of land they can cultivate

Legislation developed with PROFIT's assistance, if adopted, will help to reduce the negative impact of GRZ interventions; for example allowing private vets to play a greater role in rural areas, or proposed reform of the Farm Input Support Program, and liberalization of the commodity markets

PROFIT has definitely delivered value for the money. PROFIT's interventions resulted in \$133 million in sales of agricultural commodities from Zambian smallholder farmers and \$75 million in estimated value of food production increases by these same farmers. In 2010 alone there were an estimated 1.5 million people benefitting from PROFIT's linkages to private sector firms and over \$17 million generated in benefits to smallholders via the agent network.

ZATAC

ZATAC, while collaborating well with a range of partners within the Copperbelt, did not collaborate as it might have with other USAID EG projects to share experiences and learn from each other. A number of policy issues were encountered by the evaluation team within the Copperbelt that ZATAC might have brought to the attention of ACF and FSRP – with the hope of changing GRZ practices that are currently negatively impacting the logging industry, for example. Challenges currently faced by ZATAC supported irrigation groups within the Copperbelt could have largely minimized or resolved had ZATAC adopted PROFIT's model for linking input firms through local agents for sales and delivery of inputs to smallholder farmers. These were opportunities missed. However, the 71 small scale enterprises with whom ZATAC worked in the Copperbelt are clearly more competitive now than they were several years ago, though for them to become sustainable, they will need additional assistance. The fact that ZATAC will be able to

continue to provide such assistance, even though the USAID project ended in September 2010, gives witness to ZATAC's effectiveness in leveraging funds for the purpose. ZATAC efforts have achieved some very significant impacts on increasing smallholder farmer productivity and incomes.

FSRP

FSRP did work closely with ACF and more directly with various GRZ ministries and services from civil society organizations (CSOs) in achieving its objectives. However, with the exception of some activities with the PROFIT project, the program did not link with either ZATAC or MATEP in reinforcing their needs for policy advocacy. The evaluation team encountered issues that could have resulted in increased competitiveness within the lumber industry had these issues been early brought up with GRZ and led to new legislation with respect to the Forest Service. MATEP reportedly experienced difficulties in tracking and reporting on export values/volumes through the firms they assisted, something that the expertise of FSRP researchers might have contributed to solving had there been inter-project exchange. It is unfortunate that the US EG SO 5 projects ceased to interact directly on a quarterly basis on areas of mutual interest, problem sharing and learning from each other. Overall, FSRP's effectiveness in contributing to the overall EG assistance objective of increasing private sector competitiveness cannot be overestimated. The continuing demand for continued such service support from GRZ ministries, Parliament, donors and private sector stakeholders is testament to both past usefulness of this program, and its continuing need.

Program areas that contributed greatly to the assistance objective are listed below, but several areas of effort were less effective. This would include continuing delays experienced with the Marketing and Credit Acts that affect the maize value chain and the Fertilizer Value Chain. In spite of a robust training program, and over 300 individuals trained in MACO and CSO alone, high attrition rates continue to plague GRZ services supported by the project, casting doubt on the long term impact of this training on these specific GRZ services. Human capacity building training is never lost, and this training will certainly be put to good use within Zambia's private sector and in the regional and international organizations that have hired these talented people away.

FSRP has certainly provided value for money spent, but it was not possible for the evaluation team to objectively quantify this as the program did not create and track the outcome and impact indicators for the four IRs of this SO #5 that they might have.

ACF

One of the key purposes for the creation of ACF was to bring together private sector and other stakeholders within the agricultural and natural resource sector to work on the challenge of increasing the sector's competitiveness both nationally, regionally and internationally. Doing so remains very important, and some success was achieved in this respect. The project was less successful, however, in bringing together the USAID SO #5 EG program partners together for this purpose; perhaps the assumption was that as members of the overall 'stakeholder' group for ACF, this purpose would be achieved. ZATAC, for example, was one of the ACF Zambian stakeholder firms, though PROFIT, as a project, was not. Yet, our review of ZATAC indicated policy issues of concern to agri-business firms supported by ZATAC that never reached the level of being discussed within any ACF forum. The issue appears to have been that some 'stakeholders' had greater influence on setting the agenda for the Forum than others, and this becomes an area for greater attention for future ACF agenda setting procedures.

ACF has suffered, in recent years, from poor executive leadership of its agenda, as well as in leadership from its board. The Board did not move quickly enough to address weaknesses with ACF or in setting a clear

proactive agenda for its stakeholder members. Without strong executive leadership in understanding the policy dynamics of Zambian institutions (and politics), it is difficult to bring people together around issues of importance. ACF leadership should probably not be drawn from GRZ senior management positions. The recent recruitment of a policy advisor should help to address this concern.

Given the fairly modest sum of USAID funding over the past six years (\$752,118), the evaluation team would confirm that USAID received value for the money spent. For an organization like ACF to maintain its operational independence, it is extremely important that it receive its funding from a wide spectrum of funding sources, and historically this has been the case. In recent years however, funding has been limited to largely one donor: SIDA, and funding support from its own key Zambian stakeholder groups has been extremely low (\$203,382 over 6 years). Limiting GRZ funding to ACF is probably still a good strategy, in order for the organization to remain independent of GRZ control of its agenda.

IMPACT

PROFIT

According to results reported at the end of 2010, PROFIT exceeded its targets with respect to the following indicators:

- Number of clients engaged in improved and/or value added processing and production (over 400,000 vs. a target of ca. 260,000 in that year alone)
- Area or number of commodities under improved technologies (over 560,000 vs. a target of 450,000 in 2010 alone)
- Number of loans by USAID assisted institutions (110,010 vs. target of 90,015 in 2010)
- Value of loans by USAID assisted institutions (over \$4 million vs. a target of ca. \$2.7 million)
- Number of people trained in natural resource management and conservation (over 120,000 vs. a target of ca. 77,000)
- Average income per PROFIT household of 10 members grew from \$935 for the 2007/08 season to \$2,239 for the 2009/10 season, more than doubling household income in three years.

Areas where PROFIT was less successful, as measured at the end of 2010, were the following:

- Increasing the volume of red meat (from smallholder farmers) “processed”, i.e. sold on commercial markets
- Increasing the volume and value of pineapple production by smallholder farmers
- Number of people reach with HIV/AIDS A & B outreach programs

ZATAC

Overall, while the initial expectations of the project with respect to smallholder out-grower production schemes (paprika and honey) did not work out, program management was flexible enough to learn from these challenges and move on to more productive activities and ended up being very successful at both micro levels (the 71 small businesses themselves) and macro level (ZATAC itself) in improving the enabling environment for private sector Zambian firms to become more competitive and grow. Though it would not be reasonable to expect ZATAC Ltd. itself, in three brief years, to have succeeded in bringing the small

businesses they have been working with to sustainable and profitable businesses, the evaluation team noted that there is no reason to doubt such success in the next couple years, as continuing support is provided. USAID/Zambia funding provided to ZATAC were well spent, and should be considered to have received value for cost – especially when one considered the 30% depreciation of the US \$ during this time and the dramatic increases experienced by the project in terms of operational costs (for vehicle fuel, for example). Smallholder farmer households with whom the evaluation team met were extremely positive about the benefits they received in terms of business plan and accounting systems training, installation of sophisticated irrigations systems, and diversification of production options for increased incomes.

According to results reported on their PMP Table of Indicators, ZATAC also achieved the following:

- Smallholder households worked with are achieving in excess of \$1,612 in yearly income
- Value of commodities (banana, eggs, fresh milk, vegetables, pork) successfully commercialized regionally exceeded \$180,000 for targeted beneficiaries
- \$552,649 in credit was disbursed to small business entrepreneurs for a range of both agricultural as well as urban-based initiatives
- Greatest achievement however, has been PROFIT's ability to develop realistic business plans for small business ventures, linked with software for simple accounting purposes to track profits and losses.

FSRP

Achieving impact takes time, and this is especially true within the policy environment. FSRP exceeded all LOP USAID Operational Plan indicator performance targets under the three activities. For capacity building, 55 short-term training programs were completed, exceeding the initial target of 50. Many individuals were trained, thereby increasing the capacity of GRZ ministries and partners in undertaking applied research, data collection, analysis and reporting. For applied research activities, 78 research projects were undertaken and completed for various GRZ and stakeholders on a host of different agricultural themes, exceeding the initial EOP target of 15, with 18 of these completed in 2009 and 14 in 2010. For outreach activities, 171 project surveys were conducted linked to policy reforms under review, greatly exceeding the initial EOP target of 3 such surveys, and 42 of these were done in 2010 alone. One might suggest that, for a project that was to run for 7 years, the initial targets may have been set too low, and should have been revised upwards. But the initial PMP does not seem to have been significantly revised over time.

Among the key achievements was adoption of a recommendation under the FSIP in reducing the input supply pack by 50% (subsidized inputs for ½ ha. rather than 1 ha. for smallholder farmers) that helped increase yield/hectare maize production and areas (up to 2 ha/farmer) among smallholders through intensive management of their maize from 1400 kg/ha to 2000 kg/ha. This is a clear example of where FSRP had an impact on IR5.2, and it might have been possible to quantify this impact over time. FSRP also helped in opening an opportunity for the private sector to fill-in the gap to provide additional inputs for the remaining land under maize cultivation, a contribution to IR 5.1. Other achievements were formulation of Marketing Act and Credit Act by introducing a Warehouse Receipt System. Once these recommendations are approved, these acts will have significant impact on agricultural production and marketing of agricultural produce, showing impact under IR 5.3. The recent signing of the CAADP agreement also impacts IR 5.1 and IR 5.3. FSRP was also instrumental, in close collaboration with ACF, in removing VAT and 45% withholding tax, thus directly helping traders and farmers to improving their profit margins. FSRP also helped reduce the subsidized procurement of maize price from ZK 85,000 to MK 65,000 for each 50 kg of maize, thus creating

opportunities for the private sector to play a role in the agriculture sector in Zambia, another quantifiable impact to IR 5.1.

ACF

The main function of the ACF was to serve as a platform for stakeholders meetings and discuss specific issues that concerned them. ACF did hold many such stakeholders meetings over the past six years; stakeholders in general appreciated the leadership and services provided. ACF accomplished the output targets initially set for IR 5.4 Improved Enabling Environment for Economic Growth) under the Economic Growth SO #5 objective. Twenty seven policy reforms were analyzed under the activity “Consultation”, and 17 policy reforms presented for legislation/decreed under the activity “Policy Advice”.

ACF has served as an important Zambian private sector legal entity to bring private sector agricultural and natural resource stakeholders together in a forum to discuss ways to influence GRZ policy. ACF, through its active stakeholders, has succeeded in influencing the direction of applied research by FSRP to address various policy issues identified by the stakeholders. Every year, ACF has been granted the privilege by GRZ to provide comments on the national budget before it becomes law, permitting the Zambian private sector an opportunity to voice its concerns over specific provisions, or lack of them. Among its various achievements were the removal of VAT and the withdrawal of the proposed 45% withholding tax on non-registered businesses in Zambia. The ACF Board Chairperson at the time was able to take this matter directly to the President of Zambia, with successful results.

Similarly, ACF was successful in lobbying the GRZ in reducing the size of maize input supply pack to half. It not only helped increase the maize yields from 1.4MT/ha to 2.0MT/ha, but also provided an opportunity to the private sector to fill the gap in the supply of agricultural input. During this year, analysis of livestock diseases was undertaken that led to an advisory note given to Parliament on disease control mechanisms in the country. For the first time, the GRZ recognized the contribution of the private sector in the distribution of fish fingerlings, permitting the private sector to begin to take a more active role in the distribution of fish, and allowing local communities to become more engaged in managing these aquaculture activities. Over a number of years ACF provided strong commitment in support of the CAADP initiative, which was finally signed by the GRZ in January 2011. Under this agreement, the GRZ will set aside at least 10% of its annual budget towards the support of the agricultural sector.

BACKGROUND AND EVALUATION METHODOLOGY

USAID/Zambia contracted Development and Training Services, Inc. to undertake end-of-project evaluations of four projects within their Economic Growth portfolio for Strategic Objective #5. These projects are: (1) Production, Finance, and Improved Technologies (PROFIT), (2) Food Security Research Project (FSRP), (3) Agricultural Consultative Forum (ACF), and (4) Zambia Agribusiness Technical Advisory Centre, Copperbelt Out Grower Initiative (ZATAC). In responding to the specific questions posed by USAID for this evaluation, special attention was given to the impact of these projects on the targeted beneficiaries and the implication of lessons learned for the up-coming Feed the Future Initiative (FTF) that will guide upcoming USAID Zambia interventions for poverty reduction and increasing economic security for smallholder farmers. These projects were unique in that all four have received USAID funding for at least 10 years, and in some cases longer. Within such a time frame, one might reasonably expect to be able to see real impact taking place.

The Final Evaluation Team (FET), prior to arrival in Zambia, prepared an evaluation protocol to guide the process of this evaluation, and much of this information is included below. We began by laying out the general outline and expectations for activities to be pursued in the four evaluations, based on the terms of reference provided by USAID/Zambia. A draft timeline of various activities was prepared, and updated throughout the life of this evaluation (cf. Annex 2). This was shared with USAID/Zambia and the Implementing Partners of the four projects, who contributed to it as well. Prior to arrival in Zambia, a draft outline of what this Final Evaluation Report might look like was shared with USAID as well, for possible comments, though none were received.

Four principal sources of information were used to complete these evaluations, and their syntheses.

- *Review of existing project documentation, including the original proposals, transfer authorizations, PMP documents with their indicators, targets, and results, all quarterly and annual results reports (with their annexes), and other relevant materials provided to the review team by the four projects:* Weeks prior to the beginning of this evaluation, and coming to Zambia, the team leader requested as many of these documents as possible to be sent electronically so that the team might gain time in familiarity with these programs. Some documents were received in the week prior to arrival, though none from either FSRP or ACF project managers.
- *Initial Briefing:* As part of this review of existing documentation, the FET requested that each project management team present to the evaluation team a formal written presentation (PowerPoint) during first day or two following evaluation team's arrival in Zambia which specifically addresses four key questions (see below). This was a first opportunity for the PROFIT, ZATEC, FSRP and ACF projects to formally organize some of their key observations with respect to their project achievements and constraints faced, and help the FET begin to focus on essentials. Each of the projects did make an effort to do so.
- *Review and analysis of any quantitative Time Series Data from sampled beneficiary populations, producer group organizations, or agri-businesses assisted and other data currently being obtained by the four projects, and reported through Quarterly Reports or elsewhere:* Once the FET team met with the program management staff, the evaluation team found that only the PROFIT team had the kind of data bases from which additional

analysis could be accomplished on project beneficiaries, and they were very accommodating in providing this to us, going so far as to even conduct a snap household level survey through their community based agent network on several key questions we wished to follow up on.³

- *Qualitative Surveys & Interviews:* Much of the 2.5 weeks of field review time spent by the FET was through Qualitative Surveys among program beneficiaries, stakeholders, and partners. Such interviews, which took between 1 to 1.5 hours each, were in the form of small group sessions, focused model farmer interviews, discussions with Zambian producer groups and agribusinesses on constraints and impacts of the programs. Key GRZ officials and other stakeholders involved with one or other of the projects were also met, as time permitted and as was appropriate.

The evaluation team undertook no specific large-scale quantitative survey because time did not permit such an exercise. However, it became apparent that PROFIT, ZATAC, and FSRP could probably have benefited from having had some kind of end-of-project impact survey conducted on a sub-sample of program beneficiaries.

Each member of the qualitative survey team was responsible for covering a range of topics, depending on the specific projects concerned. The dTS team had broad multi-disciplinary experience, and as such was able to address the issues required for the evaluation, including gender issues, financial management of programs, sustainability issues, as well as the more focused economic development (agriculture, livestock, credit, socio-economic, etc.) issues. When using a qualitative survey approach, a set of 'lead questions' were prepared for each project to guide the direction of our interviews, but discussions frequently took us in directions that appeared relevant at the time to the consultants. Observations of project field activities in action was considered very important, and efforts were made whenever possible to observe program initiatives in action (e.g., preparing commodities for market, transformation, marketing of products). As a result, we were able to view a number of already planned field activities, such as cattle spraying, farmers coming to a firm's shop for input supplies, viewing agents in the field interacting with their smallholder farmer clients.

Together, all these sources of information were used to review the accomplishments of the four projects, and considering USAID/Zambia's own assessment of these programs. We ended up not being able to spend quite as much time as we would have liked with the USAID EG team, with meetings made more difficult to schedule with the on-going move into the new Embassy complex.

EVALUATION TEAM

The team making up this final evaluation team (FET) included Dr. Richard Swanson, an economic anthropologist, and team leader, Dr. Anne Turner and Dr. Vas dev Aggarwal, both agronomists. All three had had recent previous experience in Zambia working within the agricultural sector, and all have had long careers working on USAID programs within Africa over the past 25-30 years. Two Zambian colleagues, Kenneth Kaoma and Kalenga Kakompe with M&E experience, assisted the expatriate team during part of the evaluation period.

³ This snap survey sought to assess the income changes and the actual number of people in 10 districts around Zambia where PROFIT had interventions. The districts assessed included Katete and Peteuke in Eastern Province, Mkushi, Kabwe, Chibombo, and Mumbwa in Central Province, Chongwe in Lusaka Province, and Monze, Choma, and Namwala in Southern Province. The survey covered 358 households out of which 296 respondents were married, 40 were widowed, 12 single, an 10 divorced; 11% of the households were headed by widows (34) or widowers (6). Households included an average of 4 orphan children per household, half of whom were female.

EVALUATION METHODOLOGY

As part of its original proposal, Development and Training Services, Inc. (dTS) began to lay out some of the steps which would be followed for the approach and methodologies used in this evaluation. Following the recruitment of the evaluation team and before departure to Zambia, the Team Leader, with dTS home office personnel began to develop our understanding of the requirements for this evaluation, including a draft timeline to maximize the contributions of the respective team members. In the process of doing this, a conference call was completed on December 22 with USAID/Zambia. Among the issues raised was the introduction of a draft timeline, with proposed evaluation team arrival and departure times in Zambia, and proposed initial meetings with USAID and program leaders for each of the four projects during the first two days upon arrival. This timeline (updated) is provided in Annex 2. Requests were made for key contact information and documentation for initial review prior to arrival in Zambia, and our general approach to the evaluation was reviewed with the USAID/Zambia COTR. A draft version of a possible Evaluation Table of Contents, prepared by the Team Leader, began to circulate as well, with final agreement expected during the first week after arrival in Zambia.

Because of time and logistic constraints of reviewing four projects, each evaluation team member took the leadership for the evaluation of a specific project – following a common format prepared for the team. While responsible for understanding the programs of all four projects, and participating in the initial briefings for all four projects at the outset of the evaluation, specific team members were responsible for undertaking the field visits, interviews, and write-up of the evaluation reports of a specific project. Following a common Table of Contents format for the Final Report, each expatriate consultant prepared a stand-alone evaluation document presented in the Evaluation Report annex. Dr. Anne Turner, with assistance from Kalenga Kakompe, took the lead in the evaluation of the PROFIT project (Annex 6). Dr. Richard Swanson, with assistance from Kenneth Kaoma, took the lead with the ZATAC project (Annex 7), and traveled with the ZATAC CEO Likando Mukumbuta by road to visit field sites in and around Kitwe and Ndola. Both PROFIT and ZATAC required significant field travel time. Dr. Vas dev Aggarwal led in the evaluation reports for both ACF (Annex 9) and FSRP (Annex 8) projects, both based in Lusaka, and both policy orientated. Because ACF and FSRP were to be partner projects in the policy area, it was reasonable for one person to deal with both. Following a week in the field with ZATAC, Dr. Swanson was also able to spend portions of the 2nd week of field time traveling with Dr. Turner and Dr. Reuben Banda in the Eastern Province to view PROFIT activities, and meeting with FSRP and ACF personnel as well in Lusaka.

The evaluation team stayed in the same hotel, when in Lusaka, in order to facilitate travel logistics, and also had breakfast and supper meals together to permit sharing of the day's findings and strategizing for the coming days.

Prior to arrival in Zambia, the Evaluation Team leader communicated with the program managers of each of the four projects, requesting that a separate briefing be prepared for the evaluation team during the first day or two after arrival in Zambia. In these briefings, priority was to be given to what each project believed to be the principal accomplishments made over the life of the project, as well as lessons they have learned. A hardcopy of this presentation was to be available, and given in PowerPoint if possible, and should include what program managers considered to be the most significant data to support the accomplishments outlined. To the extent that it was possible, we further requested that as much time-line data, over as long a period as possible, be provided for what project management considered to be its strongest case for impact (the type of data sets presented in quarterly reports would possibly be appropriate). This would be the time to emphasize key commodity chains, if appropriate. At this meeting, the evaluation team also held a question/answer period with the senior technical leaders of the program, providing them also an opportunity to outline areas

of program accomplishments, challenges, and where efforts may not have reached expectations (and why). These meetings ended up taking between 2-3 hours each. We asked to hear from program management if and how their Performance Management Plan were (or were not) useful tools for program monitoring over the life of the project, with some special attention to the usefulness of the data sets collected. Suggestions for improvements or modifications were welcome. At this meeting, we also asked for suggestions on how to organize Weeks 2 and 3 field visits to PROFIT and ZATAC programs.

The communication provided to PROFIT, ZATAC, FSRP, and ACF managers is shown in the test box below.

STRUCTURE OF THIS END-OF PROJECT EVALUATION REPORT

This report brings together evaluation findings for four separate projects and all that terminated in September 30, 2010 – though all continue on in some form through new funding sources. In order to minimize unnecessary repetition in various parts of this document, a decision was made to develop stand-alone evaluation reports for each of the four projects reviewed: PROFIT, ZATAC, FSRP, and ACF. These evaluation reports must be read in the annexes of this document: Annex 6, 7, 8, and 9.

Under normal circumstances, the above mentioned annexes would constitute the body of this evaluation report. Here, however, the body of this evaluation report has focused on responding directly to the specific evaluation questions posed by USAID/Zambia, and by drawing together the major conclusions, lessons learned and best practices from the four annexes – particularly as this responds to USAID/Zambia’s Economic Growth and SO #5 strategic objectives.

To learn more about the specific M&E and PMP systems of each project, their reporting and communication systems, Value chains targeted and impact on specific agricultural systems and regions,

Assignments for the USAID Zambia Economic Growth projects (for Project Team Leaders/Component Leaders):

During the first week of the evaluation, (Wednesday & Thursday, January 12 & 13, 2011), an opportunity is given to each project to provide the requested information below in writing. Following the presentations, the evaluation team will have a time of questions/answers as we begin to probe these issues. To achieve this, the evaluation team requests that for project management leaders of each of the four projects above, a PowerPoint presentation be prepared, with hardcopy, with specific focus on the following 4 specific questions: Presentations will be given separately by each project. We suggest about an hour for each presentation, including Q&A. As of December 31, 2010,

What are the key achievements and impacts of the project for each major component of your program? Where specific commodity value chains are involved, please be specific for each commodity.

What were the greatest obstacles faced in achieving project objectives for each component?

What, in your opinion, are the most important actions to take in the remaining life of this project for each component of your program? Why?

Which beneficiaries (individuals/groups) should the evaluation team meet within each component to discuss impact and issues of your project? We will have about 8-9 work days for the field assessment, so our field time must be well focused and pre-planned.

Please include with your presentation the following information:

Project Implementation Begin Date; Project End Date
Total Expenditures of Project to Date (by year from beginning of project and by major line item)
Quantifiable Data on Direct Benefits to Program Beneficiaries (by year) (PROFIT & ZATAC). Disaggregate this as much as possible by commodity groups or activities.

Each of the four projects responded well, and their presentations are included as an attachment in each of the respective Annexes for each project.

the challenges each faced in program implementation, their successful and less successful strategies, and their linkages with the GRZ and other stakeholders, the reader will need to refer to the specific project annexes.

USAID Zambia Economic Growth Strategic Framework for Strategic Objective #5

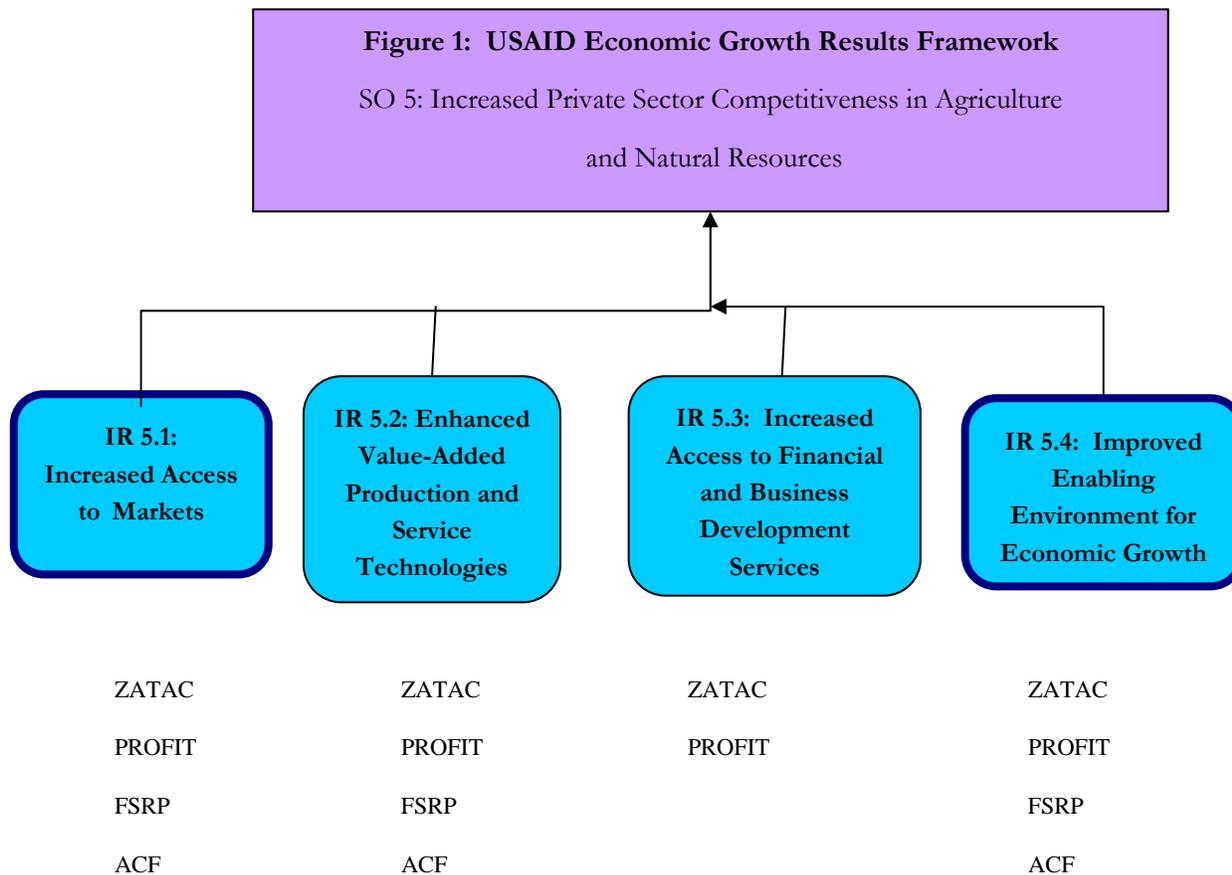
USAID/ZAMBIA's Strategic Plan for 2004-2010 included activities in a number of program objectives; including four projects within its Economic Growth Program Objective which are to be the focus of this evaluation. The over-arching Strategic Objective for the Economic Growth program was to “*increase private sector competitiveness?*” within the regional and internationally, of Zambian farmers and firms, with special focus towards Zambian small farmers. I

n the process of developing this focus, USAID/Zambia identified over the past ten years the main constraints to agricultural development and small-scale rural agri-business competitiveness to be:

1. Lack of capacity, clarity, and consistency within Zambian Government to generate and implemented liberalization policies, conducive to private sector-led agricultural growth;
2. Poor market access and under-developed markets that limit production;
3. Inadequate sources of finance and capital; and
4. Low farm and firm-level production and productivity.⁴

This understanding of the principal constraints at the time led to creation of a Strategic Framework for the Zambia Economic Growth program which essentially posited the hypothesis that ‘by increasing private sector competitiveness in agriculture and natural resources, that the main constraints to agricultural development and small-scale rural agri-business competitiveness would be enhanced’. There is also a clear intention that food security and improved economic welfare would also be enhanced among the rural poor targeted. Following our review of each of these projects, it became clear to us that these projects contributed to a wider set of SO results than the indicators tracked would have suggested. For example, FSRP only reported on a set of indicators for IR 5.4 below, even though their activities included impact in IR 5.1 and IR 5.2 – and one might also argue IR 5.3 (CAADP support, for example).

⁴ USAID dTS Scope of Work for Zambia Evaluation, p. 1, 2010



PROFIT, ZATAC, FSRP, & ACF PROJECT SUMMARIES

The four projects for this evaluation, summarized below, were designed to accomplish the above results within a specific set of Intermediate Results of Strategic Objective # 5. All four projects went through at least two different cooperative agreements during the period evaluated, and in some cases some projects had additional extensions as well. At \$20 million, PROFIT was by far the largest program implemented, followed by FSRP at just over \$11 million (cf. Table 2 below). With the exception of ZATAC and ACF, both PROFIT and FSRP have received significant additional USAID funding beyond the September 30, 2010 period of this evaluation. Both ACF and ZATAC also have continued to operate with other donor funding. Each of these projects is briefly described below. For a full discussion of each project, please read the appropriate annex for the project.

Table 1: USAID/Zambia Economic Growth Project Funding

Project	Start Date	End Date	USAID Funding	Cost Share	Total Funding	Total Spent as of September 2010
PROFIT/CLUSA	April 1, 2005	March 31, 2010	\$20,000,000	0	\$20,000,000	\$20,000,000
ZATAC Ltd.	Phase 1: October 22, 2004 Phase 1: Sept. 25, 2007	December 2006 September 30, 2010	\$1,100,000 \$849,000	\$227,107	\$1,076,713	\$1,925,713
FSRP/MSU	October, 1999	September 30, 2010	\$8,081,096	\$3,037,009	\$11,118,107	\$11,118,107
ACF	December 15, 2004	December 31, 2011	\$762,118	\$3,494,526	\$4,256,645	\$4,256,645

Production, Finance, and Improved Technologies (PROFIT)

PROFIT is implemented by the Cooperative League of the USA (CLUSA) – with two sub-contractors, International Development Enterprises (IDE) and the Emerging Markets Group (EMG). According to a recent impact assessment, the overarching goal of PROFIT activities was:

“to increase multi-sector growth to ensure poverty reduction at the household level. PROFIT’s activities aim to strengthen connections within selected value chains to increase the provision of inputs and services to farmers with the objective of improving productive output and quality, thereby increasing enterprise and household incomes. PROFIT works with lead firms and communities to develop agent networks to reach rural areas lacking sufficient supplies of inputs and services. This entails demonstrating the value of these inputs and services to rural consumers and helping lead firms shift from a high-margin, low-volume orientation to a structure that also supports low-margin, high-volume smallholder clients.”⁵

These activities clearly address the results within the USAID Zambia Results Framework above.

Zambia Agribusiness Technical Advisory Center, Copperbelt Out-Grower Initiative (ZATAC-COI)

ZATEC is implemented through a network of in-country Zambian private-public partnerships. The current project represents USAID Phase II funding through the Copperbelt Out-grower Initiative whose stated goal is *“To create commercial opportunities that increase smallholder incomes from agriculture-based activities so that poverty is sustainable reduced and food security assured”*.⁶ A key objective of the program targets ex-copper miners, potential mine retrenchers of Zambia’s northern Copperbelt, with other small holder farmers, into Producer-Group Enterprises (PGE) linked to Commercial Agribusinesses regionally and internationally commercializing specific commodities (banana, paprika, honey, vegetables, and groundnuts, dairy production). A value chain approach was used.

Agricultural Consultative Forum (ACF)

ACF is led through a Zambian private association that grew out of a multi-donor project called ASIP, intended to give Zambian private sector firms and stakeholders (in agriculture and natural resources a voice to address public sector issues of concern to their national, regional, and international competitiveness. Their mission statement was to ‘promote private-public sector consultation, participation in the development and implementation of agricultural sector policies’. Over the past six years, SIDA has been by far the largest donor, followed by USAID, DANIDA, and NORAD – with only minimal financial support from Zambian private sector groups

⁵ PROFIT Zambia Impact Assessment, DAI, Final Report, August 2010, p. 2.

⁶ ZATEC Project Program Description, September 10, 2007, p. 20.

Food Security Research Project (FSRP)

FSRP has been led for more than ten years by Michigan State University with USAID financing, with some linked funding through ACF from SIDA. The core mission of this program has been to provide accurate and objective socio-economic data to support better policy decisions within Zambia that effect the country's agricultural and natural resource sectors, and the long term competitiveness of the Zambia private sector working in this domain. As described in one of their early program documents in 2003, 'the project will have direct linkages to both the Ministry of Agriculture and Cooperatives (MACO) and other stakeholders in the agricultural sector through the Agricultural Consultative Forum (ACF)' for the purpose of 'improved information and capacity for agricultural sector policy analysis...to improve the enabling environment for private sector investment, agricultural growth, and food security'. Though focused essentially towards SO 5 intermediate result 5.4 – Improved enabling environment for economic growth', the policies FSRP addressed clearly had impact on the other three IRs of USAID/Zambia's strategic framework.

LOOKING FORWARD: THE GLOBAL HUNGER AND FOOD SECURITY (FEED THE FUTURE) INITIATIVE

In addition to the three overall evaluation questions provided for this evaluation, mentioned above, a fourth question was posed with respect the Feed the Future Initiative, and Value Chains: The question: "*What commodity value chains have the greatest potential to contribute to FTF objectives, based on an analysis of its potential to reduce poverty, increase food security; provide economic and social benefits to women, provide returns on investment and other economic benefits (including employment); and have significant potential to scale up?*". We were asked to identify 2-3 key chains that '*have the greatest potential to deliver the FTF objective*' (cf. Annex 1, Scope of Work).

During the first meeting with the USAID/Zambia EG team, we were told not to concern ourselves with this fourth task, as the Mission had gone ahead and contracted for these services prior to our arrival. The dTS evaluation of these projects had been intended in the October/November 2010 timeframe, but circumstances led to delays in start-up until January 2011. Needing to move ahead in for internal planning purposes, the Mission moved more quickly on this aspect of our scope of work. As a result, we have not included a major discussion on this topic. Indeed, it was quite clear to us that USAID/Zambia had already determined the region in which the FTF initiative would most likely take place (Eastern Province), and the key value chains that would provide the focus for these efforts (maize, oil-processing commodities (soybeans, groundnuts, sunflower, and cotton seed and the village-level processing industries that support them), and vegetable production (around urban areas). Our field travel for PROFIT project activities therefore purposely included the Eastern Province.

The evaluation team, nevertheless, did keep this fourth aspect of our initial task in mind as we traveled and met with ZATAC and PROFIT programs in particular, and here also provide a few observations based on this experience.

The USAID FTF initiative is a multi-donor approach, working closely with the Comprehensive African Agricultural Development Program (CAADP) to address the issues of food security and poverty in the coming years.⁷ One of the stated goals is to "sustainably reduce chronic hunger, raise the incomes of the rural poor, and reduce the number of children suffering from under-nutrition". Among key focuses for the FTF program will be to 'improve the productivity and market access of small-scale producers, particularly

⁷ World Bank definition of poverty is \$1/day/person of disposable income. The Copenhagen Declaration describes absolute poverty as "a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information." The World Bank identifies "extreme poverty" as being people who live on less than \$1 a day, and "poverty" as less than \$2 a day.

women, who make up the majority of small farmers in developing countries’ and to ‘invest in improving nutrition for women and young children as a foundation for future growth. Agriculture is seen as a ‘poverty reduction tool’ and one of the primary ways of ‘driving economic growth and reducing poverty in partner countries’. The USAID/Zambia Economic Growth SO #5 objective to increase private sector competitiveness in agriculture and natural resources’, with its four sub-objectives, provides an excellent launching pad to enter this new phase of development assistance.

In reviewing the scope of the FTF program objectives, it becomes clear that smallholder farmers, the poorest among the poor, the particularly vulnerable women, and household nutrition are to be key elements of the program. These objectives fall closely within USAID supported Multi-Year-Assistance-Programs (MYAPs) of recent years, or the Development Assistance Programs (DAPs) earlier yet – programs in which the NGO community has been particularly active (World Vision, CRS, CARE, ACDI-VOCA) – and most recently, Land O’Lakes within the Zambian dairy industry. The experience gained through these programs will offer many valuable lessons in developing the FTF initiatives in Zambia in coming years.

Among the key lessons learned through such programs⁸ is that increasing agricultural production at the household level is not necessarily directly linked to an increase in the health and improved nutrition of the members of these households. Much depends on who controls the new resources acquired because of increased production. This is where the role of household women becomes so critical. This was also one reason that a recent evaluation of the Zambia LOL dairy DAP suggested prioritization of giving in-calf heifers to women – even in areas where cattle are traditionally kept by men (through extensive grazing systems). Women are usually around the homestead and can care for dairy through intensive systems, giving them in excess of \$1,000 annual income per milking cow.⁹ Another lesson in MYAPs has been that decentralized training of mothers with children under five years of age through ‘mothers clubs’ (through volunteer community workers), linked to training in household level economic pursuits (like households gardening) and membership in micro-credit savings and loan club programs are among the most effective means of transforming households out of poverty and gaining economic and food security. Another lesson is that while NGOs frequently have the ability to reach and work in the most rural and inaccessible areas of a country, and do an excellent job in reaching rural populations for humanitarian assistance programs, they have been less successful in consistently linking these rural households and farmer groups to in-country private sector firms and institutions capable of sustaining and delivering their future needs for agricultural inputs and services. PROFIT project experience for initiating such linkages in a sustainable manner will be important for USAID/Zambia’s program going forward.

KEY COMMODITY VALUE CHAINS

With respect to value chains, it is clear that within Zambia, given its strategic advantage in terms of land resources, rainfall, and climate, and relatively low population density, opportunities exist for agri-business firms to produce the food commodities needed to lead Zambia to become the ‘breadbasket’ of Southern Africa. This will not however initially help the vast majority of the population who remain poor and have difficulty accessing the market. A recent report states that *“80% of the rural population (of Zambia) lives in poverty, ...and with a national average of 53% of under 5 children exhibiting signs of growth stunting, under-nutrition must be*

⁸ Dr. Swanson has evaluated many MYAPs and DAPS over the past few years (in Uganda, Malawi, Zambia, Kenya, Haiti, Rwanda).

⁹ Land O’Lakes, Dr. Swanson, Final Evaluation of the Land O Lakes Zambia Dairy Development FFP DAP for Vulnerable Populations, September 2008.

considered a national epidemic in Zambia".¹⁰ What kinds of commodity value chains have the greatest potential to have an impact on resource poor smallholder *Zambian* farmers?

Based on the experience of the evaluation team within Zambia, and particularly learning from the experience of the ZATAC program that has had to struggle with testing the feasibility of different commodities within different regions of the country, and particularly the Copperbelt most recently, the following would appear to be true. Smallholders are most successful in growing their farming enterprises, and realizing food and economic security when they have a steady flow of income throughout the year from the sale of a diverse set of commodities to meet recurrent household expenses (school fees for children, medical emergencies, etc.).

Year-around income can be realized through sale of:

- Vegetables and banana - particularly when irrigation becomes an option during dry months, something entirely feasible within Zambia)
- Eggs (to semi-urban areas, and for export); with chickens themselves as a by-product
- Fresh milk from even one cow
- Pork (meat for sales on demand) (and perhaps beef – as household herds increase and alternative non-bank means of savings become possible)
- Fish (where aquaculture is possible)

Every smallholder *Zambian* farmer will grow maize as their principal food and cash crop, so attention to this value chain will have a very significant impact on household food security. And if small-scale irrigation systems become feasible (micro-drip irrigation), the possibilities become even more interesting. Recent rapid increases in production (increased area) and productivity (increased kgs/hectare) of growing hybrid maize throughout the country may in itself cause a shift in GRZ maize policies that currently still impede the full commercialization of this sector. And as private firms increasingly come to view smallholder farmers as an important market for their agricultural inputs, so will traders come to view them as increasingly important sources for increasing volumes for regional and international sales.

¹⁰ Sitko, Chapoto, et. Al, Background Data on Zambia's Agricultural Sector: In Support of the USAID Mission's Feed the Future Strategic Review, January 11, 2011, p.14.

MAJOR CONCLUSIONS, ACCOMPLISHMENTS, LESSONS LEARNED & BEST PRACTICES

OVERALL SO 5 PROGRAM FRAMEWORK (FY 2004-FY 2010)

USAID/Zambia's long-term support to the major activities initiated in 2004 through the four projects evaluated - PROFIT, ZATAC, FSRP, and ACF, have resulted in some very positive accomplishments and significant and sustainable impacts. Listed among the major constraints for Zambia to become a competitive regional and international market player was the 'lack of capacity within the GRZ', and this most certainly was true at the outset of the program, and remains largely true today. Yet lack of capacity within Zambia's private sector stakeholders was also an issue that was addressed through these projects and this has certainly improved. Another major constraint was 'poor market access and under-developed liberalization policies conducive to private sector-led agricultural growth'. Though progress has been made here, the rate of progress must be considered disappointingly slow. 'Inadequate sources of finance and capital' also ranks as an important constraint, but here again national banks have been slow to become engaged in private sector led growth, and donor loan capital programs have faced difficulties in timely repayments. Finally 'low farm and firm-level production and productivity' seems to have experienced some significant progress through an increasingly energized smallholder farmer population who are beginning to receive some of the inputs needed and becoming linked to selected commercial groups capable of consolidating, bulking their products for national and regional markets.

STRATEGIC DESIGN, THE ENABLING ENVIRONMENT AND SUSTAINABILITY

Increasing private sector competitiveness within Zambia for agriculture and natural resources is clearly a long-term effort requiring the combined efforts of many stakeholders, beginning with agencies within the GRZ that create the policy environment within which such competitiveness may flourish or wither. It also requires the institutionalization of Zambian private sector entities capable of leveraging financial and personnel resources (from whatever sources) available to achieve long-term sustainability. Donor funded projects are critical sources for financial support, and for launching new efforts, but are certainly not the only ones; attracting international private sector resources is also important. Unless projects have a clear end-game of what this will look like after 5 or 10 or 15 years, efforts can easily collapse when project funding ends.

USAID/Zambia's strategic objective #5 results framework was well designed to address the targeted issues and beneficiaries. Implementation approaches to actually address these issues however, had mixed results, with direct implications for the sustainability of the efforts pursued. It is not clear whether or not it was the USAID Mission's long-term objective to create Zambian-based institutions to eventually carry forward the worthy goals and objectives of the SO 5 portfolio of projects evaluated. IR 5.4: 'improving the enabling environment in economic growth', perhaps implicitly sought to do this. It might have been appropriate to have made 'Zambification' of some of EG projects a more explicit goal of the program so that this might have received greater internal support.

MONITORING & EVALUATION/PMPS

Project PMPs have been static documents, and have not sufficiently evolved as programs have evolved or changed focus, as a result of field realities. There appears to have been a lack of adequate guidance from the USAID Economic Growth team to the project managers of the various projects managed. This is most clearly illustrated over the issue of managing for results of the projects and the role USAID usually requests of its projects with respect to the development and use of Performance Monitoring Plans. Cooperative Agreements signed by all participants have language that states that funding recipients will develop Monitoring & Evaluation Plans/Performance Monitoring Plans for each project. Whether one wishes to call this a M&E Plan or a PMP Plan, the requirements are basically the same. One must have a plan to develop a series of performance indicators (output, **and** outcome, **and** impact) over the life of the project to monitor progress towards reaching project stated objectives within the SO5 framework established by USAID/Zambia. A PMP plan gives life-of-project (LOP) targets by year, and progress being made quarter-by-quarter. This is generally reported on through quarterly reports which include both a narrative discussion of progress, constraints, future planning, and a table of results showing progress for all the defined indicators.

As a project evolves, indicators can be dropped and new ones added. However, it seems that with a number of the EG projects, the initial PMP was not revised; the Table of Indicators was not revised. Since 2004, the four projects have received new (Phase II) funding, with new cooperative agreements initiated, with the contractual language being the same, but without projects creating newly revised PMPs. Indeed, among the four projects evaluated, only PROFIT can be said to have included progress reports on their indicators through Indicator Performance Tracking Table (IPTT), as part of their regular submission of quarterly reports. Only PROFIT had a fairly rigorous PMP with a sufficient number of output, outcome, and impact indicators. The evaluation team was repeatedly told by ACF, FSRP, and ZATAC project managers that they had been told that they were not required to have a (new or revised) PMP, which was confirmed by the EG CTOs. Both outcome and impact indicators were absent from these three projects.

With both PROFIT and ZATAC, the smallholders impacted by the project do not seem to have been tracked for impact at the household level. The PROFIT model focused in on the firms themselves and creation of the demand-driven commercial links to the smallholders through an agent network – a model that has been proven to be extremely successful through evidence of the increased demand (volume) and sales (value) of inputs being sold to smallholder farmers or their cooperative groupings. It was not possible, for example, to know how many actual people (men, women, children, orphans, and women headed households) were found within the beneficiary households of ZATAC or PROFIT smallholder households concerned. The fallback answer was to multiply the number of households assisted by statistical averages like 5.5 or 6 people/households, when in fact many households might have 15 to 18 members, mostly children, with many of these orphans being supported by these households. The evaluation team interviewed groups of such ZATAC beneficiaries and found household sizes to be significantly higher than the reported national averages.

However, the cooperative agreements of these new project phases did require what was written as “M&E plans/Performance Monitoring Plans”. That sounds like a PMP was required to the evaluation team. While one may ask ‘if we are getting the information we want, what is the issue’, the principal is the adequate monitoring of the performance of Mission projects and getting a full picture of the impact of the results being achieved as a result. Everyone understands that the OP indicators required by USAID Washington, to which the Mission must report, are output indicators in nature, and are not particularly useful indicators for a Mission to assess the impact of its funded efforts or the accomplishment of the goals and objectives set forth in the SO framework. To be useful at the country level, one must have established outcome and impact

indicators. Such indicators can be established, even if only proxy in nature, for any of the SO 5 projects we were asked to review (PROFIT, ZATAC, FSRP, ACF), although developing them is not always easy.

There appears to have been some lack in oversight to manage for objective, reportable results of some of the EG projects, particularly the case with FSRP and ACF, but also with ZATAC and PROFIT. It is more difficult to design appropriate outcome or impact type indicators for policy orientated projects, but given the long-term nature of these programs, this should have been possible. Clearly there has been impact from all four projects, but this impact does not appear to have been clearly or fully tracked through quarterly or annual progress reports of these projects.

CAPACITY BUILDING WITHIN ZAMBIA:

Among USAID/Zambia's key accomplishments in Zambia is capacity building within local institutions to provide the means for in-country private and public institutions to become capable of addressing the socio-economic needs of the country without endless donor support. Significant impact has been made as well, as evidenced in the 'legacy' program existence of ZATAC. ACF itself became a stand-alone Zambian entity after its initial beginnings as a multi-donor project. There have also been some initial moves to support PROFIT for future impact in this way, as well as in the more recent consideration of merging FSRP with ACF. Building in long-term sustainability appears to have been a driving priority for USAID programmatic support over much of the life of SO 5, but seems to have taken a different turn over the past year or so.

One example: prior to 2004, USAID supported USA based DAI to institutionalize an in-country organization that came to be known as ZATAC Ltd. by 2002. Then in 2004, USAID continued this capacity building effort, through DAI as prime contractor, to sub-contract ZATAC Ltd. to continue to fulfill its mandate, giving it operational authority to manage implementation. In 2007 when this project ended, and DAI bowed out entirely, ZATAC Ltd. took wing on its own as a local Zambian limited, non-profit, company to continue to carry out the objectives of linking Zambian small-holders and budding individual entrepreneurs to larger national, regional, and international marketplaces. Prior to this turn-over to local management of the program taking place in 2007, USAID had Price-Waterhouse undertake an audit of ZATAC's accounting system, financial management system and management controls to determine if they had the systems in place necessary to receive USAID direct funding. The recommendation was made that they were capable of receiving USAID funding and managing it appropriately. Price Waterhouse also suggested that ZATAC could justify a NICRA level of about 31% for in-direct costs recovery, without which no organization can long operate. Following the termination of the project, DAI also suggested moving management and control of the \$2.5 million MATEP project loan portfolio (MIF) to ZATAC (which ZATAC had been managing through the ZATAC Investment Fund).

In the end, USAID declined to grant ZATAC any form of NICRA, asking them to furnish additional audit studies, and suggesting that they use project funds to do so. However, ZATACs Phase II funding over three years was already limited and already clearly designated to agreed upon implementation activities; funds could not be taken out of existing commitments. So nothing happened and nothing has changed. ZATAC continues to operate thanks to its ability to find other donors who do support these NICRA expenses/rates and who are essentially keeping ZATAC afloat.

LONG-TERM VS. SHORT-TERM EFFORTS:

For most of the life of the SO 5 initiative, USAID/Zambia has been consistently committed to the long-term support of major components in its portfolio, with very significant positive results. The long term commitment to high-quality professional research on wide-ranging topics within agriculture and the natural

resources though Michigan State University is one excellent example; the long term efforts to create a viable Zambian agribusiness training support service to entrepreneurs through ZATAC is another. While in the former case, this has not led to a Zambian institution capable of sustainably continuing such research, in the latter case a viable Zambian institution has been created and has become sustainable, representing a professional force in its own right.

One of the lessons that these programs give is the importance of giving Zambian entities the means of becoming viable enterprises in their own right with the ability to leverage national and international resources themselves to support on-going program initiatives. While some might argue that termination of the ZATAC-COI project was premature, because targeted communities of this project had not yet gained the required means to stand on their own (and normally would have collapsed at the end of the project), this evaluation team would say that this ending was fully justified in light of the maturity of ZATAC itself to leverage the resources needed for this continuation. ZATAC itself has a long-term support strategy and will continue to seek such support as long as the enterprises concerned merit it.

FOOD SECURITY RESEARCH PROJECT (FSRP)

Managed by Michigan State University (MSU), funded exclusively by USAID, this program has been outstandingly successful for the quality and relevance of the large number of applied research papers and publications that have been generated over the past ten years for the benefit of the Government of Zambia, the Ministry of Agriculture, the Ministry of Livestock and Fisheries, USAID/Zambia, the stakeholders within the Agriculture Consultative Forum (ACF), and many others as well, including other program's needs (such as PROFFIT). FSRP has come to serve as the 'independent' research arm of the various Planning Ministries of the government, because their own data management services were unable to provide reliable statistics or trends over time on a vast range of economic issues within Zambia, including the various commodities, price trends, overseas demand, etc. Members of the Zambian Parliament have come to depend on FSRP data to inform their decisions, thereby clearly having a impact on public policy.

Various stakeholders within the ACF have benefited from this 'independent' research to objectively research and define the issues each might have with respect to the effect of Government policies on their businesses interests. FSRP's 'independence' from Government, currently lends all its data and results an aura of 'objectivity' and 'truthfulness', largely unbiased from political parties, pressures or other influence. As a result, FSRP results have become a very valued commodity, one that GRZ certainly hopes to benefit from in the years to come. A recently completed study, noted here, well illustrates the depth of research findings and the Zambian context: "*Background Data on Zambia's Agricultural Sector: In Support of the USAID Mission's Feed the Future Strategic Review*" (January 11, 2011, Nicholas Sitko, et al.).

What is striking, however, is the very long term involvement of MSU, even before FSRP, then FSRP beginning in 1999 for 5 years, ending in 2004, followed by another 5 year phase ending in September 2010, now followed by yet another 5 year effort through 2015 (all contracted to MSU) – to date without ever having created a local counterpart research institution of Zambian origin. While in an ideal world, one perhaps would have liked to see a University of Zambia endowed with the research capabilities that MSU is able to consistently deliver from year to year, or a research institute (like GART) linked to one of the Ministry Planning Departments - it is also clear that a public institution of this kind could never attract or retain the caliber of professionals (agricultural economists or economists), with the levels of salaries required, to become sustainable. They would depart once funding ended.

It is a missed opportunity that USAID/Zambia did not actively (and earlier) begin to seek to move towards creating a private Zambian research entity capable of continuing the excellent research services that MSU has

been providing over these years. USAID/Zambia had a good legacy model of their own creation during this time: ZATAC. Had MSU created such an institution during Phase 1 (1999-2004), and then sub-contracted through this Zambian entity from then until September 2010, it might well have created a new Zambian private research institution capable of attracting the public and private funding support needed to sustain itself. As it is, should USAID funding to MSU cease now, there would be little left other than past research experience gained by local personnel to continue functioning. New FSRP funding beyond 2010, which is actually beyond the scope of this evaluation, suggests the merging of FSRP and ACF into one private Zambian institution, though many issues remain to be overcome if this is to actually happen by March, 2011, as hoped for.

Another missed opportunity was that FSRP did not develop a more robust performance monitoring plan (PMP) with outcome and impact indicators for not only IR 5.4, but the other three IRs of SO #5 as well, to which their activities have had a direct impact because of successful legislation passed. In the initial USAID PMP created in 2004, at the SO #5 goal level, two key impact indicators were proposed: (1) Value of food and non-food agricultural production by USAID supported groups (e.g. the EG projects like PROFIT, MATEP, ZATAC) disaggregated by commodity, and (2) the Value of agriculture and natural resources based exports (including tourism receipts), and disaggregated by commodity. Performance Indicator Reference Sheets (PIRS) were even completed by USAID in 2004 to illustrate these, with baseline targets proposed. Yet the evaluation team found no such information included within any of the projects reviewed. Underreporting of impact of USAID funding has therefore resulted.

Because of the unique position of FSRP in working with MACO and CSO, it should have been able to do more, giving the volumes and values of key agricultural exports (in general) from Zambia – not just attributable to USAID - and the volume and values of key agricultural commodities (towards which the SO program was focused – key value chains) produced in Zambia each year. These could have also been reported on each year, and would have also served as a proxy indicator of the increasingly good quality of Zambia GRZ agricultural statistics and the impact of overall USAID and other donor funding on seeking to increase the competitiveness of Zambia's private sector in agriculture and natural resources, overall.

AGRICULTURAL CONSULTATIVE FORUM (ACF)

The creation of ACF, with USAID support, back in June 1998 to fill a major vacuum for private-public discourse on the major issues impacting the economic development of Zambia and its competitiveness of its agriculture and other sectors within the region and internationally clearly filled a need. The ACF became a registered private forum in April 2003 bringing together the major private sector stakeholder in agriculture and the natural resources, and under its first director appears to have performed well, earning some degree of credibility within the country. SIDA became an important donor supporter in 2007, about the time the second ACF Director took over from the first, who had provided professional leadership since the beginning. Without what appears to have been good management skills, ACF appears to have increasingly lost its credibility as the Forum in the past two years, with a decreasing number of meetings being sponsored by the Forum each year and perhaps being overshadowed by FSRP.

ACF has lacked in-house capacity to coordinate policy research issues, and has only recently been able to recruit a policy specialist who should now be able to help lead in prioritizing policy issues to be addressed among stakeholders. With such a person on the team, ACF should now be able to better understand the policy issues brought to it by stakeholders, or proactively working with stakeholders to understand policy issues that affect them negatively, before seeking help from FSRP. In theory, all policy issues raised by the stakeholders were to be passed coordinated and passed on to the Food Security Research Project (FSRP)

where the appropriate (and excellent) research was to take place, and policy proposals written, and sent back to ACF for submission to the concerned government Ministry or department for action. According to ACF, this scenario is not actually what has happened – ‘100% untrue’ was their response. “In theory this sounds fine but in practice this never worked out” this way. *“Most of our research topic that came from stakeholders were never implemented by FSRP... We ended up contracting these to other research firms or individuals. The only analysis that FSRP has been doing for the ACF is the budget analysis... all these years, the research agenda for the ACF has been set by MSU.”*¹¹ And as described above, this research agenda was supposed to have been driven by ACF itself, through its own stakeholders. From ACF’s point of view, the scenario described above ‘in theory’ of ‘how it should work’ is the way ACF would like to see matters handled.

MSU, through FSRP, has tried to be a supportive partner to ACF’s role of organizing its private sector and NGO stakeholders, defining policy directions, and communicating with GRZ institutions when applied research results have documented approaches to take for policy legislation. Yet FSRP itself has other partners, particularly MACO, that also drive its research agenda. MSU has also been fully supportive of FSRP becoming a fully Zambian entity, seeking with all those concerned the best path forward in terms of possible merger with ACF or continuation as separate entities – whichever would give the best results and be sustainable.

ACF, in recent years, came to be seen more as a Secretariat that sponsored meetings that were initiated and organized by various stakeholder groups, and helping in the documentation and dissemination of the results of these meetings. Without a strong policy leader, it became less proactive in itself seeking out the issues of importance to its stakeholder groups. ZATAC, for example noted that never since its creation had anyone from ACF ever visited their offices to discuss issues that ACF might be able to bring together to support ZATAC efforts (though we noted that nothing prevented ZATAC from doing so). Issues about milk dumping from Kenya and elsewhere that directly impacted Zambian competitiveness and growth within its own milk sector have moved slowly. The forestry sector of the country has been severely impacted by the yearly inflow of cheap lumber from Malawi permitted in December each year, for example, making it difficult for the private sector lumber industry to compete during the months following each December when the Forest Service goes on holiday and when Zambian lumber companies are unable to get new leases for taking out logs. This resulted in a lack of lumber within the country, and Zambia’s opening up its market to Malawi in December to ‘fill the temporary need’.

Nevertheless, over the past couple of years, ACF has shown its ability (through SIDA funding) to evaluate and contract for applied research on various policy initiatives – thereby putting it in the ‘driver’s seat’ so to speak for setting the agenda for policy research. Most such research was done with other research entities within Zambia. As an important partner with ACF, FSRP has come to be seen as the real driving force for agricultural policy research however, and when ACF calls a meeting to which FSRP has contributed research, people take it seriously and come.

The recent success, after many years of effort to pass the CAADP legislation for Zambia presents ACF with some new opportunities to provide direction to agricultural priorities within Zambia, and the modifications or new legislation that may need to be developed for international investments to increase within Zambia’s agricultural sector, and has the possibility to drive needed change.

The planned integration of FSRP and ACF appears to be well-conceived, and according to the Director of FSRP, the proposed new structure with an Executive Director, below which are two institutional components

¹¹ Personnel Communication Madiye Nawiko to Richard Swanson, March 7, 1011.

and leaders directing the research and public/private sector forums of the research institute seem feasible. In the as yet unpublished recommendations made by a consultant engaged to study this integration (John Kasanga, January 2011), the proposed merger appears feasible – and steps are given that need to be taken. The plan to keep this a private, non-public, institution, build upon the ACF Board, with possibly two new members from the University of Zambia and the Central Statistical Office seems reasonable as well and could develop into a valuable institution. If only this had been accomplished in an earlier year, as with each passing day and month, realizing this outcome may become increasingly difficult.

For the new ACF/FSRP entity to become truly viable and sustainable, able to attract funding from other donors and international institutions, able to charge its own overhead/NICRA rates to programs contracted to support, it needs however to become somehow disassociated from MSU directly and not be seen as simply an ‘extension of MSU in Zambia’ or “a USAID project”. Indeed, since ACF is itself a Zambian legal entity, whose legal existence the newly formed organization will merge into, it would not be appropriate for either MSU or USAID to be perceived as managing this institution because they control the entire budget. Some kind of sub-contracting arrangement needs to be realized, along the model of ZATAC, permitting institutional independence to manage funds, implement actions, but to also have the freedom to encourage other donors and institutions to support their mandate. Equally important, senior positions within the organization need to be funded at the required professional level to attract and retain the level of professional expertise required.

PRODUCTION, FINANCE, & IMPROVED TECHNOLOGIES (PROFIT) PROJECT

PROFIT has clearly demonstrated to private sector agri-business firms within Zambia (once largely focused towards large scale commercial farmers and operations), and GRZ ministries alike, that smallholder farmers can be commercially organized to respond to market demand for commodities that they are about to produce. The success of the firm – community agent model for input sales and services has experienced dramatic success. Land O’Lakes has also demonstrated this fact in the Zambian dairy sector and the frequently dramatic impact made on smallholder households when a milk collection center is accessible to them and linked to a firm like Parmalat. Parmalat in the Copperbelt is now receiving close to 25% of their milk from smallholder farmers, up from almost zero a few years ago; they see small dairy households as their principal area for expanding growth. This perception is now being backed up with increasing linkage to smallholder dairy farmers to provide veterinary and other support to increase herd size and milk yields. This process has also continued to be reconfirmed by dairy support activities of both PROFIT and ZATAC. The expanding circles of community employment and job creation around each individual household dairy entrepreneur are remarkable and poorly documented or reported upon. The impact of these small scale dairy enterprises at the household level on their communities is greatly underestimated by USAID/Zambia, which appears only to consider the number of actual dairy households themselves. These project activities also reconfirm the fact that smallholder farmers will seek the inputs they need from the sources that they can get them – their community agents - if doing so is an economically rational thing to do.

PROFIT has clearly demonstrated that, with the right inputs available, on time, smallholder farmer productivity can be dramatically increased, leading to the volumes and scales needed by commercial firms to compete in regional and international markets. While not initially directly targeting maize as a commodity, though cultivated by almost at least 82% of all Zambian smallholders, the impact of ever expanding and newly available hybrid high-yielding hybrid maize seeds from private sector firms, through the network of private sector agents, combined with improved field management services (conservation tillage, use of herbicides, spraying for pests), is already having a major impact on household livelihoods across the country. Trend lines for the national production of maize have been going steadily up since 2005, with a surge in the

past two years, probably due to the high prices GRZ has offered for this commodity, as well as increasing use of agricultural inputs.¹²

PROFIT experimented with various methods in which to bring the inputs needed by smallholder farmers for their principal commodities by linking them with private sector input supply services. About three years ago (2007), the program began to focus such activities by helping interested input firms in mapping out the target smallholder communities within Southwest Province, Eastern Province, Central Province in particular and then by helping to identify (and train) individuals within these communities who could be selected by the community to become independent in-put service providers to their communities, called ‘agents’. This model is perhaps one of PROFIT’s greatest contributions to Zambia, and is certainly something that the agricultural input firms that have worked with PROFIT over these years will continue to use and expand on in the coming years. The model is applicable for any input supply to any value chain commodity – including dairy and beef - with initial focus on the commercial firm – either trying to sell inputs to farmers or purchase their produce from farmers.

Some 2,485 agents are currently working with about 10 firms to supply over 182,729 smallholder households, representing more than 1 million people, with improved inputs (e.g. hybrid maize, herbicides) and services thus increasing productivity of crops, especially maize, cotton and livestock. This approach is somewhat different from the input ‘stockist’ model used by CARE Zambia. Each of the approaches has strengths and weaknesses. The ‘stockist’ model pre-positions inputs into communities before the onset of the agricultural season, and so the farmer has only to come to the stockist’s shop to purchase the desired seed, fertilizer or herbicide. PROFIT’s approach of linking firms with independent agents (not employees), who receive a commission for their local sales has proven to be very effective – essentially creating small local enterprises. The only significant weakness perhaps is that these agents must first receive the cash from their small-holder clients in great enough volume (no credit is given), before the firms will deliver the inputs – with farmers holding the risk of having put out money without yet having received the inputs. This can at times delay somewhat the availability of these inputs, resulting in a later planting of maize than might have been desired by a farmer, for instance (which can reduce yields). Because of this reality, PROFIT’s pre-paid mechanism has helped to bring forward the marketing season for inputs from October/November to June/July of each season – thereby giving farmers time to prepare for the next planting season. Should this become an established new system for input planning and purchases, this will certainly improve the input supply system for farmers. PROFIT notes that ‘investment and brand risk reduces as retailers now control the cash and sales tracking process (through their agents). On the other hand, the operating risk rises for farmers as their opportunity costs are high since they have paid for but not (yet) received (their inputs)’.¹³

The evaluation team noted that though operating as ‘small businesses’, the community agents did not seem to be keeping very accurate records of their own business transactions; existing records were sometimes spread across a number of different notebooks or pieces of paper. In many areas, these agents are providing good information about sales to the firms they are linked with (based on forms these firms have asked them to fill out) – but this is not the same thing as the agent thinking of himself as an entrepreneur, and keeping his or her

¹² The Sitko, Chapoto, et. Al. report on “Background Data on Zambia’s Agricultural Sector: In Support of the USAID mission’s Feed the Future Strategic Review”, January 11, 2011, pages 3—42, discusses this trend in some detail. The document itself is an excellent example of how FSRP generated data sets can be used for policy review and program development.

¹³ Personal email communication from Reuban Banda to Richard Swanson, March 7, 2011. Reuben also noted that “as we started this model, certain firms tried the consignment approach and the results were disastrous as some of the agents started establishing their own out-grower scheme by giving the products on credit with the view that the farmer will pay back at harvest the agreed number of bags (of commodity). Others invested the money received from farmers into their own grocery shops, thereby tying up the capital of the Agro-Retailers.”

own records. If these small local businesses are to actually grow and prosper, they will need to be given more support in tracking their own expenses and income, particularly as some agents have also developed a network of sub-agents under themselves.

Selection of who gets to become the ‘agent’ for a community was given to the communities themselves – where people who were considered trustworthy and who were leaders in the community were selected – village headmen, a pastor, an elder – and almost always male. This orientation appears to be working – particularly since large sums of money need to be pre-gathered for the community before an ‘order’ can be made by their supply agent for the inputs from the firm represented. Farmers need to be assured that their money is not going to disappear before they get their inputs. Young entrepreneurs, who might have more energy and zeal for their enterprise, were those most engaged in providing services (such as cattle spraying).

The availability of insecticide for killing ticks, rather than dipping or the use of unavailable vaccinations, appears to also be a very strong element of PROFIT’s successes and impact. Where this has been going on for some time, there appear to be a real impact on animal mortality, with herd sizes increasing everywhere that agents have been active. For the Eastern Province, where efforts have only been underway for about 6 months, the results as reported by beneficiaries were already quite evident. The real issue here is that those performing the spraying services are not using the protective clothing or face masks they should be to, getting the treatments on their bare hands and breathing the vapor as well. People crowding around the pens of animals being sprayed also get a good dose, including the evaluation team with wet droplets falling on our own bare hands and breathing the poisonous vapor.

One of the ‘blind-spots’ of the PROFIT program over the past years has been in not looking closely enough at the clients of the agents of the firms supported, most of whom are smallholder farmers. In counting the impact of their program on smallholders, PROFIT simply counted ‘households’ reached by the agent. No information is available about the actual composition of these households, how large they are, how many children, orphans, or women-headed households were included. The evaluation team’s interviews among a small sample of these smallholders suggest that PROFIT has grossly underestimated the impact of their program on Zambian smallholder farmers. Perhaps more than the twice as many people have been impacted than actually reported on. This is great impact. Even more important, there is no information about the impact of the actual hybrid seeds used (versus local open pollinated varieties) and other inputs used on these households. Farmers interviewed noted double and triple the yields they used to get, and this positive response to increasing productivity is clearly captured in the rapidly expanding volume and sales of the inputs concerned. Clearly greater expansion of the numbers of agents into all corners of the nation of Zambia could have dramatic impact on the commercial production of a wide number of commodities.

Firms have become dependent on PROFIT to do their market research for them, and in determining which areas should be targeted for expansion, and in locating the agents to push their products in front of smallholder farmers. The fact that training is provided to these agents on how to best ‘demonstrate’ their products to farmers through demonstration plots undertaken by the volunteer agents is an important development – though it did not appear that agents consistently were encouraged to have such plots as a means of increasing their businesses (and the firms sales). Anecdotal evidence suggests that some firms have begun to take the initiative to themselves push into new geographic area with their own resources to identify and train new agents, using this PROFIT model.

USAID/Zambia probably lost an opportunity to institutionalize PROFIT and hold the institutional memories achieved over the past years when the March – September 2010 extension was given to CLUSA, and then the further extension made in October 2010 through September 2011. CLUSA has encouraged their local

professionals to form into their own local entity, initially called Profit Zambia Ltd. and then changed to MUSIKA Ltd. USAID could have perhaps had CLUSA sub-contract through something like MUSIKA for program implementation during the past year and through next September 2011, providing a Zambian institution the experience to begin to provide continuing training and leadership to linking private sector firms to agents and to their smallholder clients. This was not a stated early objective of program implementation, though the evaluation team would maintain it should have been implicit in creating an enabling environment for future economic growth.

PROFIT ended up being fairly static in reporting on a series of ‘old’ indicators, without updating their PMPs for areas of new impact. For example, indicator #6 on the PROFIT IPTT gives the *‘value in US \$ of production per client’* – this is an excellent impact indicator. The disaggregated commodities tracked are cotton, honey, red meat, and dairy, high value crop-pineapple). Yet, as a result of the strong evolving approach of the program beginning in 2007 and beyond, agents of the firms trained and supported were providing an ever increasing volume and value of inputs to smallholder farmers. Special attention was given to hybrid maize seed, Roundup, other improved seeds (groundnuts, soybeans, vegetables, etc.), and other inputs that could positively impact the growing of these crops. However, the absence of maize or groundnuts, as well as perhaps vegetables from the indicators monitored seems striking, given that they probably represented an even greater value of production increase to smallholders than any of the others listed.

THE ZAMBIAN AGRIBUSINESS TECHNOLOGY ADVISORY CENTER (ZATAC) PROJECT

The evolution of ZATAC presents a useful case study in the successful creation of a Zambian private sector institution that began as a USAID designed project back in 1999 – ten years of effort! Growing out of a 5 year, \$6.7 million project with the US consulting firm, DAI, Inc., ZATAC Ltd. officially came into existence in April 2002 as a local firm focused on ‘enterprise development’, providing business-management training and support to linking with local, regional, and international markets through a value chain approach. In October, 2004, DAI was given an additional \$1.1 million, plus \$100,000 for HIV/AIDS efforts, through December 2006 for efforts now sub-contracted through ZATAC to carry forward efforts in the Copperbelt. During these years, ZATAC, as a Zambian firm, also attracted funding from other sources to expand its efforts within other regions of Zambia, covering most provinces. Finally, in September, 2007, USAID provided a cooperative agreement with ZATAC Inc. directly to continue efforts in the Copperbelt, which became better focused during this time, lasting through September 2010 when the USAID project ended. However, ZATAC efforts within the Copperbelt have gathered momentum over these past years, and will continue to increase into the future through newly leveraged resources that will strengthen the excellent base of business plans established. These have good promise for long-term sustainability and achieving very significant economic impact on the Zambian households concerned, the new firms, and the economy of this region.

Table 2: ZATAC Funding Resources within the Copperbelt Outreach Initiative¹⁴

	2008	2009	2010	Total
USAID	410,578	252,244	186,428	\$849,249
Other	174,959	545,740	591,548	\$1,312,248
Total:	585,538	797,984	777,976	\$2,161,497
%	70%	32%	24%	39%

ZATAC has become a sustainable Zambian institution with a reputation for strong capabilities in assisting small and medium firms to focus their activities through business planning and careful accounting practices to become viable businesses, many of which are operating within the agricultural sector. The loan portfolios it has generated over time are also taken seriously. One must look no further than the table above showing how ZATAC has been able to leverage its programs within the Copperbelt. The ‘other’ funds above include both donor and private sector funding, with a major investor being the Mopani Copper Mines themselves.

While recognized by other donors as a reputable Zambian firm with proper accounting procedures, USAID itself continues to think of ZATAC as a project, and not endowing it with the recognition it deserves as a Zambian firm having the right to place upon its contract agreements the overhead expenses and NICRA normal for any functioning firm to become profitable and maintain its own existence over time as a viable business venture. This is the case with ZATAC, despite a Price Waterhouse audit requested by USAID which recommended ZATAC for its management of USAID funds, and even recommended a NICRA rate of 32% as justifiable.

Similar issues exist within what was a ZATAC’s sub-contracted arrangement with another USAID project: MATEP. Here, ZATAC was subcontracted to manage the MATEP Investment Fund (at a time when the principal implementer of the project was DAI), increasing the capital within this fund by \$2 million. The loans were to target small and medium enterprises (SMEs). ZATAC managed to loan out \$2.7 million to 19 SMEs, with one receiving about half of the amount. It was the already existing ZATAC Investment Fund that came to manage the MATAP Investment Fund, though ZATAC Ltd. had already been struggling to find the needed operational funds needed to manage these portfolios in addition to the work they were already doing. In administering all of its loans, ZATAC had to secure these loans by mortgages over property, debentures over assets and liens over vehicles and promissory notes – meaning that there exists the resources to secure the loans, and these can be legally seized, if necessary – by ZATAC. ZATAC cannot simply ‘hand over’ the loan portfolio to TMG, as requested by USAID, because of the legal issues currently binding ZATAC to the clients. The transfer can be done, but it will be a long process and could represent as much as 4% of the assets of the loan portfolio to achieve. In the meantime, loan beneficiaries perhaps are beginning to believe they were given a ‘free pass’ by USAID, a terrible precedent for future efforts for accountable loan transactions.

¹⁴ Details of this evolution between 2005 and 2010 are given in Annex7, where the full evaluation of ZATAC activities are presented.

USAID/Zambia appears not to have appreciated the costs of associated with the management of such a fund and did not support ZATAC's repeated requests for operational funds, though in 2009 \$200,000 were withdrawn from these funds, by the MATEP project, to support its own operating costs (when it was not even managing the MIF). The MATEP project ended in June 2010.

As a US government public institution itself, USAID/Zambia, though clearly supporting private sector initiatives as policy, with many private sector supported programs, does not itself appear to appreciate how private sector firms must operate to maintain their budgets and existence from year to year. Just as the delivery of agricultural inputs on time to farmers is often a major issue for GRZ public-sector institutions like the Ministry of Agriculture that control such services (and why PROFIT's private sector firm/agent approach has promise). Just so too, USAID itself is frequently constrained in its own ability for timely delivery on negotiated 'promises' or in resolution of complex issues. ZATAC itself, during Phase I, lost an entire agricultural season of implementation because project operational funds did not arrive in a timely manner. Issues surrounding the ZATAC requests for NICRA resolution dragged out for two and a half years, with the matter yet to be resolved. Issues to do with the transfer of the MIF funds from ZATAC to TMG, have become mired down, at no fault to ZATAC or anyone else, because Zambian law appears clear about how such transfers must legally take place. This matter remains unresolved as well. Unfortunately, all of which has begun poisoning relationships within 'the SO 5 family of projects'.

ZATAC was not able to undertake some of the activities described in the Phase II cooperative agreement (September 2007, p. 34-35 concerning plans for their credit management system). This concerned the signing of loan agreements with Chibote Multipurpose Cooperative Society and Akabangile Multipurpose Cooperative Society for irrigation equipment and banana tissue culture worth about \$16,000. Scale-up of project activities was impeded, and ZATAC's intentions to grow the loan capital base of the ZATAC Investment Fund were not possible. This would have helped ZATAC increase the number of farmers benefiting from the irrigation schemes long after USAID project closed down. For these farmers, there was to have been no collateral required on the loans, but the continuous income stream from the banana would have permitted them to live up to their own repayment commitments. These plans however went nowhere following a USAID Financial Review in 2009 in which ZATAC was told that they were not permitted to issue loans for irrigation equipment or production inputs because the USAID assistance was to be seen as a grant, and therefore given 'for free' to the program beneficiaries. Loan conditions, and enforcing them, would be seen as 'taking money from these poor farmers when the intention was to give this to them at no cost'.

ZATAC's Copperbelt Initiative experiences over the past six years have provided insight into several models for organizing technical support, training, and linkages to markets. (1) ZATAC initially targeted out-grower schemes in widely scattered districts, among a large number of cooperative groups for paprika and honey production – all dependent on two key commercial outlets for their products; (2) Following the collapse of the purchasing firms, ZATAC also targeted a farm with an irrigated perimeter run initially on communal principals of joint ownership of all assets and commodities commercialized; (3) two irrigation perimeters run by cooperatives, with individual ownership of most of commodities cultivated, but sold through the cooperative, and (4) seventeen small enterprises owned by one or two individuals, with employees, looking to expand their businesses with business planning assistance from ZATAC as part of USAID ZATAC-COI Phase II funding. The lessons that clearly come out of this experience is that the better the private sector focus, the clearer the objectives for commercial success is, and the greater freedom individual households have to manage these assets, the more successful these ventures are likely to be.

In spite of ZATAC efforts to move the collective farm towards reorganizing to give greater ownership of productive assets to household units within the cooperative, the farm is essentially bankrupt – expenses

exceed expenses. But ZATAC's support through the new business plan holds great promise if this cooperative moves towards private enterprise development they say they want. The two other irrigated perimeters also show increasing productivity, have taken accounting seriously, and will probably become profitable very soon. However, the evaluation team was most impressed with the potential of the 17 youth investment initiatives, ranging from activities in the agricultural/natural resources sector (fish farming, dairy, value-added timber) to service providers (hair care, food catering, restaurants); these are already existing small business ventures of young people, with a real vision and energy for aggressive expansion. The ZATAC initial loan investment and business planning with each of these 17 small firms will almost certainly realize, and probably exceed, the estimated \$874,220 of net profits, after taxes by year four (2014). Judging from our on-site reviews of seven of the 17 small enterprises, ZATAC should be able to recover most if not all of the initial loan investment of \$626,034 by this time. Combining this loan fund, which will be recovered and used for other youth enterprises, with the cost of the business development technical assistance provided (\$966,329), the total cost of this effort will most certainly have been recovered by the fifth year of the program. If realized, this would be excellent return on investment. ZATAC needs to monitor this evolution closely.

MAJOR RECOMMENDATIONS

Performance Monitoring Plans and Program M&E: Consider contracting with an outside firm to interface between USAID/Zambia and the Mission's Implementing Partners in oversight, coordination, and timely data flows to USAID for performance monitoring, with a focus towards managing for results and identifying impacts. This will help release time for USAID project managers (CTOs) to deal with more general program management issues, oversight, and policy. A growing number of USAID missions have begun to engage a professional performance monitoring consulting firm contractor to assist the mission program office and SO teams to link with their implementing partners with respect to project PMPs and the tracking and management of the key output, outcome, and impact indicators – in light of mission strategic objectives and goals. These countries include Uganda, Tanzania, Nigeria, and Liberia. The evaluation team believes that given the continuing fairly robust program within the mission, and the potentially increasing budgets that may be associated with the Feed the Future (FTF) Initiative, this might improve program monitoring for results. Part of such a contractor's duties would be to assist all Mission portfolio partners, for all SOs, to properly comply with USAID guidelines for PMPs and program monitoring – both at the USAID level as well as within the specific project themselves. The evaluation team found that the ZATAC, ACF, and FSRP projects would clearly have been assisted if such a program had been in place over the past few years. Even PROFIT could have been assisted in better capturing some of the impacts with respect to smallholder household-level impacts that have clearly been missed through current reporting. With FTF's need to be able to track information linked to poverty reduction, increased food security among smallholder households, provision of social and economic benefits to women, and other vulnerable groups, the added level of analysis required for future implementing partners may require some long-term in-country available technical guidance.

Consider PMPs as Living Project Document: As existing projects may be extended, or new cooperative agreements are signed, the task of Mission CTOs and program officers could be facilitated if language would be placed into future agreements that implementing partners need to plan the updating of their PMPs annually, including a review of existing output, outcome, and impact indicators being reported on with respect to data quality assessments (DQAs). The mission's own PMP performance indicator reporting spreadsheet (where contributions of all SO projects contribute to specific indicators) must also be reviewed annually to be sure that it continues to capture the significant outcomes and impacts of their projects. This

will evolve and change someone over time. All quarterly reports submitted should include an annex with the quarterly progress being made towards targets set for these indicators as well, as currently done by the PROFIT project. IP PMPs should be considered essential tools for their own performance monitoring and assessment of impact, and not simply a tool in reporting to USAID.

Economic Growth Program Team Meetings: Consider re-initiating at least quarterly meetings between USAID EG Implementing Partners for exchange of ideas and cross-fertilization of lessons learned. Expect IPs to show that they are doing so, and perhaps include this as a project indicator to emphasize the importance of doing so.

Future Cooperative Agreements: Consider placing into the future Cooperative Agreement documents, under the sections dealing with PMPs and project M&E, language that projects are expected to update their PMPs annually, considering it a ‘living document’, and annually review the existing output, outcome, and impact indicators being reported on for data quality (i.e. Data Quality Assessments). Quarterly reports submitted by Implementing Partners should include an annex with the Table of Indicators, baseline, and targets achieved during the current year from quarter to quarter or year to year, as appropriate to specific indicators. Also, to the extent possible, the Implementing Partners must use the same definitions and language for specific indicators so that aggregation of statistical results is truly comparable.

Baseline Surveys: Consider including funding for a baseline survey at the start of any long term new project cooperative agreement where implementation is taking place with firms, supply agents, farmers or enterprise development, even if it is an extension or ‘new phase’ of an earlier similar project. Otherwise it becomes increasingly difficult to attribute impact to USAID financed activities.

USAID Policies towards Zambian Firms: Examine how USAID/Zambia policies impact local private sector organizations with whom they work to see if there are opportunities for making it easier for Zambian firms to do business with USAID and better serve the people of Zambia. This is part of capacity building and business enabling which only USAID itself can grant.

Project Monitoring Systems: Encourage projects to develop more robust monitoring systems with respect to the ultimate targeted beneficiaries of the programs, particularly when they are smallholder farmer households. Always track changes in household sizes and relative prosperity over time through the use of proxy indicators. Don’t try to get household income or production data, as such data are extremely difficult to obtain and are often of poor quality. For PROFIT for example, data has been tracked of agent sales to specific households, but these inputs have not been consistently associated with the probably household outputs in benefits realized.

Forward Looking: Look forward, and not in the rear-view mirror, when developing new program initiatives within the EG team. There are many new and potentially very significant innovations taking place around Africa that could be inserted into on-going programs. These include carbon trading, linked to development of privately owned agro-forestry ventures. They also include using cell-phone technology to by-pass banking institutions altogether to permit smallholder farmers (who don’t trust banks in the first place, and prefer to see their wealth in their walking cattle) to save, sell, and trade virtually. This includes doing what ZATAC has begun to do with for supporting entrepreneurial youth through open competition and the development of serious business plans. Another possibility is using new solar technology for lighting within rural homes, far the electric grid, to power a whole range of appliances that could completely transform the way smallholders live. Think of the young people standing on urban streets under street lights reading their books or working

on their school assignments who could profit from such home lighting. Or solar cells to power the cell phones which are transforming the way business is being conducted across Africa and Zambia.

Youth: Focus increased attention on creating enterprise opportunities for the ‘youth population bulge’ – full of young people under 30 eager to make something of themselves.

The Zambian Private Sector: Continue to prioritize support towards private sector firms and smallholder enterprises that become increasingly linked to these national agri-business firms, thereby reinforcing long-term capacity building. Continue to nurture the growth of Zambian managed entities capable of continuing project efforts beyond their lifespans.

PROGRAM RECOMMENDATIONS

ZATAC

Consider building upon the expertise of this young Zambian firm to prove itself worthy of such trust. ZATAC has matured over recent years, learned from many of its earlier mistakes as a young institutions, and learned to focus on areas in which it has the most experience: business plan development, SME accounting systems, and focus on non-rain-fed crops which will produce a more consistent and continuous income stream for smallholder farmers: like banana, eggs, milk production, and vegetables. ZATAC refers to these as ‘cash cows’.

Value-Chain Focus: Focus on commodities that will help smallholder households to have a continuous income stream, as noted above, leading to more rapid loan repayments and early business success of the farming enterprise.

Tough Love: Be consistent in going after delinquent loans, when business plans show that a client is falling behind and may not be able to meet payment obligations. Avoid as much as possible circumstances that might permit an entrepreneur to think of USAID project funds as ‘grant funds’ that are not linked to performance considerations, with consequences for lack of performance.

MATEP Investment Fund: First & Best Option: Transfer back the loan portfolio to ZATAC, Ltd. and agree upon any post-award reporting requirements if any. If future loan portfolios in Zambia, supported by USAID, are to be taken seriously, then ZATAC must be encouraged to go after delinquent loans, recover funds, so that these funds may continue to serve the purpose for which they were provided in the first place. They were not intended to be grants. Loan agreements must be respected. If a pig or bicycle is the collateral, then the pig or bicycle must be possessed and sold. This option makes sense, because ZATAC retains the legal rights to go after these delinquent loans based on prior work in identifying collateral. Over half of the delinquent funds are linked to one firm, and standing assets exist for recovery. Alternatively, consider hiring ZATAC, if the above is not possible from some reason, to taking advantage of its current legal mandate to recover the loans at a generally accepted commercial debt recovery fee compensation rate. ZATAC would transfer any proceeds to USAID, net of fees payable to ZATAC. Or, write-off the loans altogether, declare that the project is over, and with it, any repayment obligations. ZATAC would then hand over all security documentation and deeds back to the clients, deduct legal costs of the reversal from the fund, and transfer any balance of funds to USAID. This would clearly set a bad precedent and reinforce already current expectation of write-off for any near-future investment funds that USAID might support.

PROFIT

New EG Project: Build the successes of PROFIT, and specifically the firm-agent model and leasing programs, into new USAID EG projects.

Gender: Engage a gender specialist in the design of and development of work plans for new USAID EG projects to enhance the likelihood of a greater proportion of direct beneficiaries is women.

African Carbon Credit Exchange: Continue to support Zambia's ACCE which was launched with PROFIT support.

MUSIKA: Consider ensuring sustainability via support to an entity like MUSIKA that could take over where PROFIT leaves off and become a self-sustaining Zambian institution if provided start-up support. This directly links to creating Zambia's enabling environment for private sector firms.

ACF

Policy Research: Do not encourage ACF to develop its own 'policy research division'. This will only take it away from its stated mission, and compete with FSRP unnecessarily, creating confusion among its stakeholders. But do strongly support ACF's new policy advisor in coordinating stakeholder policy issues.

Identification of Policy Issues: ACF needs to build upon what it does best, in the past, and that is proactively setting an agenda for its stakeholders in identifying policy issues that need to be addressed, and then identifying those most capable of undertaking the necessary research to inform the debate. This continues to be something that Zambia has great need for. ACF needs to do to stakeholders, and not wait for them to come to them.

Financial Support Base: ACF needs a broader financial support base if it is to continue to stand alone. The perception is that should such support come from GRZ at this time, it would lose its independence as a voice for the private sector.

ACF Merger with FSRP: Caution is suggested for the proposed merger with FSRP, given the very different levels of capabilities and goals/objectives inherent in the two institutions, and that ACF is a Zambian private sector entity, while FSRP currently is not.

ACF Board: Were it to stand alone, ACF would need a much stronger and professional board with strong policy credentials, and stronger leadership. Donor support such be contingent upon clear performance indicators for results and impact (not simply counting output numbers).

Bidding Option: One option put forth during our evaluation meetings was that donors might consider putting out a bid to any private sector institution within Zambia to compete to fill ACF's current role of leading the ACF partnership consortium of stakeholders. Competitively bid, the terms of the contract would also specify clearly defined output, outcome, and impact indicators that would need to be monitored for performance. Successful performance could result in a continued contracting arrangement.

FSRP

Future Applied Research: Continue to provide funding within Zambia for quality socio-economic data that GRZ and other stakeholders have found essential to make informed decisions on national policy issues. Sourcing such information from an entity considered 'independent' is critical, as is the source of the funding for such research. The need for a Zambian professional institution to manage such research is essential, if in-country sustainability is desired. FSRP needs to become more responsive to ACF as the driver of Zambian

private sector policy initiatives needed – balancing this better with the agenda driven by MACO for FSRP activities.

FSRP Merger with ACF: Caution is suggested for the proposed merger with ACF, given the very different levels of capabilities and goals/objectives inherent in the two institutions and that FSRP is still largely a USAID sole-supported institution. But if these obstacles can be overcome, such a merger has could have merit.

Merging: If merging does go forward, protect the merged entity by limited GRZ direct funding, with current and future support revenues coming from increased Zambian private sector support, regional and international stakeholders, international donors or other international institutions.

Standing Alone: If FSRP and ACF are to stand alone, each needs to be come recognized as a Zambian institution, and each needs to focus on what historically they have done best: FSRP in applied research and training and ACF in organizing stakeholder input to policy and communicating with GRZ.

ANNEXES

ANNEX I: SCOPE OF WORK FOR USAID/ZAMBIA ECONOMIC GROWTH END OF PROJECTS EVALUATION

1. Background

Despite Zambia's agriculture potential, the country faces constraints as a competitive market player locally, regionally and internationally. The main constraints to agricultural development and small-scale rural agribusiness competitiveness in the last decade have been: 1) lack of capacity, clarity and consistency within Zambian Government to generate and implement liberalization policies conducive to private sector-led agricultural growth; 2) poor market access and under-developed markets that limit production; 3) inadequate sources of finance and capital; and, 4) low farm and firm-level production and productivity due to inadequate provision of technical information, limited use of modern production and value-adding technologies, and absence of business management services.

To respond to these issues, the Economic Growth Program, as part of USAID/Zambia's Country Strategic Plan for 2004-2010, has aimed to increase the competitiveness of Zambian farmers and firms, and has adopted "Increased Private Sector Competitiveness" as the theme of its program. Activities under the program focus on attaining significant improvements in Zambia's competitive position within the region and internationally, enabling Zambia to achieve trade-based rural economic growth and poverty reduction.

2. Work Statement

USAID/Zambia is requesting an external assessment team to evaluate four projects. The team is to document whether the four projects achieved the goals as originally agreed and to what extent the project outputs have contributed to the economic growth program assistance objective. Although several tasks are combined under the RFP, each project should be evaluated separately based on the project documents and evidence collected during the course of the evaluation.

The recipient of this award is expected to conduct an end-of-project summative evaluation for the following four projects: (1) Production, Finance and Improved Technologies (PROFIT); (2) Food Security Research Project (FSRP), (3) Agricultural Consultative Forum (ACF) and (4) Zambia Agribusiness Technical Advisory Centre, Copperbelt Out grower Initiative (ZATAC-COI). These four activities form the core program for the economic growth strategic framework under the USAID/Zambia 2004 – 2010 Strategic Plan. In addition, the MATEP trade and investment project has recently ended and will be evaluated separately, however the results of this separate assessment should also be considered.

The evaluation will assess the performance of the four projects implemented under the USAID Economic Growth Assistance Objective against their expected results as defined in the project agreements and monitoring plans for the Mission. USAID/Zambia will use the evaluation to validate its accomplishments during the 2004-2010 strategy; assess strengths and weaknesses of the development hypothesis as outlined in the framework; document what worked as well as what did not work; identify lessons and best practices to shape the next strategic planning and resource allocation process. In addition, a separate but integrated assessment of the potential of key value chains based on past investments as well as potential will help to inform USAID in the design of projects to support the Feed the Future (FTF) Initiative. Apart from internal dissemination, the results must be posted for public consumption in the Development Experience Clearinghouse. In addition, prior to departure from Zambia, a presentation of findings will be made to key stakeholders, including GRZ, donors and civil society/private sector partners.

The overall evaluation questions are:

1. Strategic design: was the Results Framework structured effectively to lead to the SO5 objective – results – targets?
2. Operational: To what extent were the individual projects linked in order to contribute to the overall SO5 objective of increasing private sector competitiveness?
3. Impact: Were the individual project objectives – results – targets reached as expected?
4. Feed the Future (FTF) Initiative: What commodity value chains have the greatest potential to contribute to FTF objectives, based on an analysis of potential to reduce poverty, increase food security; provide economic and social benefits to women; provide returns on investment and other economic benefits (including employment); and, have significant potential to scale up.

In the process of answering these questions, please elaborate as appropriate with the following points:

1. How much has the project achieved the project results as defined by the agreement program description (PD).
 - a. Which sub-tasks or individual activities of the project were most/least effective, why?
 - b. Assess how the project achieved performance targets.
 - c. Was the project successful in promoting smallholder farmers' welfare, in terms of increased incomes, and increased sales? The question does not apply to ACF and FSRP.
 - d. Have project activities supported creation of self-sustaining economic linkages? To what extent has the project prepared similar organizations/projects to take up its current role?
 - e. Have private sector partners integrated HIV/AIDS prevention into the core of their businesses? The question applies to PROFIT and ZATAC.
 - f. What were the major accomplishments of each project?
2. Has the project contributed to the overall economic growth assistance objective of increasing private sector competitiveness?
 - a. Which tasks in the program description contributed most/least to the assistance objective?
 - b. Do project outputs contribute to the assistance objective?
 - c. Has the project delivered value for the money? Has this been a cost effective intervention?
3. In what ways could the project approach be applied to any future efforts?
 - a. Identify lessons learned and best practices uncovered throughout implementation.
 - b. What opportunities are there to significantly scale up project activities for broad impact?
 - c. How could the approach be modified to more effectively benefit smallholder farmers, including women?
 - d. What external or internal factors have constrained or benefited implementation and impact of the project?
4. Based on an analysis of the current performance and potential for commodity value chain development, which value chains have provided the greatest economic and social benefits (quantify)? How can USAID build upon its prior support for value chain competitiveness by focusing on 2-3 key chains that have the greatest potential to deliver the FTF objectives? What approach should USAID take and what is the role of the private sector and other stakeholders? What additional information may be needed to identify key chains? What assistance or facilitation is required by donors, government and private sector in order to generate economic growth, poverty reduction and increased food security through value chain development?

3. Proposal and Evaluation Criteria

The contractor shall provide a technical proposal that outlines the evaluation methodology and the roles/responsibilities of team members, a cost proposal of no more than 2 pages, past performance information; and, resumes of proposed consultants.

The proposal will be reviewed based equally on the following criteria: past performance, cost/price information, technical approach, and quality and availability of personnel.

Key references for the assessment include: Assessment of USAID/Zambia's Economic Growth Portfolio September, 2008; Agricultural Growth and Investment Options for Poverty Reduction in Zambia, ReSAKKS Working Paper No. 19, November 2008 (<http://www.resakks.org/>); Feed the Future Guide May 2010 (<http://www.feedthefuture.gov/guide.html>); USAID/Zambia Feed the Future Implementation Plan (<http://www.feedthefuture.gov/implementation.html>); MATEP Final Assessment (in draft); and Economic Growth Gender Assessment.

4. Performance Monitoring Plan

The contractor will provide a schedule for accomplishing the TO, including in-country travel, and preparation, presentation and submission of the final report.

5. Reports and Other Deliverables

- Presentation of findings to USAID/Zambia staff and key stakeholders, Lusaka
- Draft Report; USAID/Zambia will review and respond in writing within 10 days after receiving the draft report.
- Final Report; five (5) hard copies and one electronic copy due to the USAID/Zambia Economic Growth Team Leader within 10 days of receiving USAID/Zambia's response to the draft report.
 - The report must include, at a minimum, the following sections; Table of Contents, Acronyms, Executive Summary, Introduction, Research Design and Evaluation Methodology, Data Limitations, Findings, Conclusions, Recommendations, Annexes (including itinerary, references and key contacts)
 - Approximately 50 pages with a two-page Executive Summary, and annexes, as needed.

6. Period of Performance

Contractor will begin field work within 1 month of IQC award and conclude all work within 60 days.

7. Technical Direction and Designation of Responsible USAID Official

The CTO for this award is Andrew Levin, who will provide technical direction to the team.

8. Logistical Support

USAID/Zambia will facilitate key meetings; however, the contractor is responsible for travel, logistics and other arrangements.

FSRP builds capacity among agricultural sector planners to achieve improved policy making through applied agricultural economic research, policy analysis, outreach and dialogue.

The PD in the agreement includes the following indicators and targets:

Activity	Key Performance Indicators	Data Sources	Baseline	LOP Target
Capacity Building	Individuals who have received short-term agricultural enabling environment training as a result of USG assistance (sex-disaggregated).	Project surveys	25	50
Applied Research	Policy reforms analyzed as a result of USG assistance	Project surveys	7	15
Outreach	Policy reforms presented for legislation/decrees as a result of USG assistance	Project surveys	3	7

ACF

The Agricultural Consultative Forum (ACF), established in 1998, is a platform for stakeholder consultation, information sharing, networking, and institutional capacity strengthening within the agricultural sector. Through ACF Advisory Notes, the government is provided with key inputs for policy decisions, representing the views of sector stakeholders.

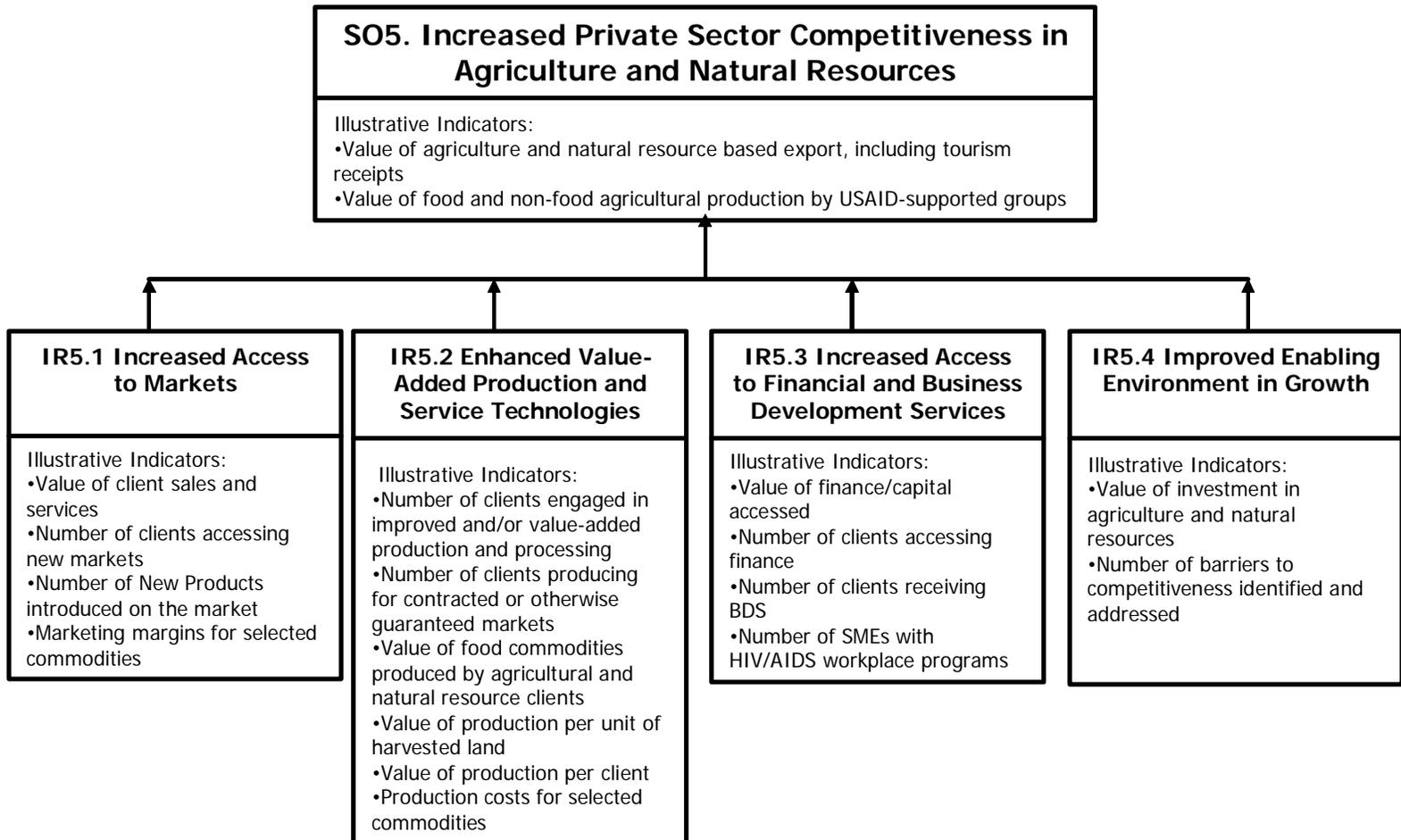
Activity	Key Performance Indicators	Data Sources	Baseline	LOP Target
Consultation	Number of policy reforms analyzed as a result of USG assistance	Project surveys	3	15
Policy Advice	Number of policy reforms presented for legislation/decrees as a result of USG assistance	Project surveys	4	7

ZATAC-COI

This is a public-private partnership (Global Development Alliance), providing technical assistance and equipment to farmer business groups in a traditional Copperbelt mining area. These groups are engaged in adding value to primary commodities through modern farming methods such as irrigation, and small-scale processing, as well as developing market linkages.

Activity	Key Performance Indicators	Data Sources	Baseline	LOP Target
Ex-miners converted to farmers	Number of vulnerable households benefiting directly from USG assistance	Project surveys	200	1,500
Market Facilitation	Value of Ag & NR production by supported groups	Project surveys	\$549,375	\$549,375

ECONOMIC GROWTH SECTOR RESULTS FRAMEWORK



ANNEX 2: ZAMBIA TIMELINE AND ITINERARY

Day	Date	Work Days		Actions	Work Days	
		Swanson	Turner		Aggarwal	
Tuesday	28-Dec	1		Preparation (Please send project documents before this)		
Wednesday	29-Dec	1		Preparation	1	1
Thursday	30-Dec	1		Preparation	1	1
Friday	31-Dec	0		Day Off	0	0
Saturday	1-Jan	0		New Year's Day	0	0
Sunday	9-Jan	0		Travel Day, Departure from USA/Canada for Zambia (via Amsterdam) at 13:00	0	0
Monday	10-Jan	1		Travel Day, Amsterdam to Joberg, S. Africa about 19:00	1	1
Tuesday	11-Jan	1		Arrive in Lusaka about 12:00 (settling in, rest)(no meetings planned)(evaluation team meeting)	1	1
Wednesday	12-Jan	1		First Full Day in Zambia, Project Briefings, Meet with USAID	1	1
				PROFIT: 9-10:30 am FSRP: 1:30 - 2:30 pm		
				USAID/ZAMBIA: EG Team Members 3-4 pm; USAID/ZAMBIA Front Office, Program Office 4-4:30 pm		
Thursday	13-Jan	1		Team Strategy Meeting, Finalize Logistics for Evaluation	1	1
				ZATEC: 9-10:30 ACF: 1-2:30 pm (not ready), 3 pm at USAID with Miotha Damaseke		
Friday	14-Jan	1		USAID 9 am on value chains/Nic/MSU; 2 pm with ACF; 9 pm call with dTS	1	1
Saturday	15-Jan	1		Writing; Agreement on Format for Report, Team Writing Assignments	1	1
Sunday	16-Jan	0		Travel by road to Kitwe with ZATEC Director (9 am to 2 pm); visited ZATAC offices/planning	0	0
Monday	17-Jan	1		Zatac field trips, Makumbi Cooperative, Mufulira	1	1
				Met with Makumbi Chairman, Farm Manager, 3 farmers, chief accountant, sales shop manager (7:30 - 4 pm)		
Tuesday	18-Jan	1		8-9:30: Manager for Corporate Affairs of Mopani Copper Mine, Chibote Cooperative, Kalulushi	1	1
				9-14:00: Visit to Chibote Cooperative, visit with Chairman, Board Members, and Women Members, Shop		
Wednesday	19-Jan	1		7:30 - 4:30 Field visits of 4 youth entrepreneur businesses; 7-8 pm	1	1

			supper discussion with EG Mlotha/USAID		
Thursday	20-Jan	1	Meeting with USAID CTO on ZATAC, return by air to Lusaka in evening 5:45 pm	1	1
Friday	21-Jan	1	8:30-10:30 PROFIT M&E/Jonathan Mwewa; 5 pm meeting at Pamodzi with ADF Country Program Cood. Brian Mwanamambo	1	1
Saturday	22-Jan	1	Writing back in Lusaka	1	1
Sunday	23-Jan	0	Day Off (7-8 am meeting, Eugene Faison, Senior Advisor, of Imaginations Group)	0	0
Monday	24-Jan	1	Anne and Richard to Eastern Province on PROFIT Dpt: 9; arrived at 4:30 pm in Chipata	1	1
Tuesday	25-Jan	1	Eastern Province on PROFIT, Chipata dept at 7 am	1	1
Wednesday	26-Jan	1	Eastern Province on PROFIT, Richard return to Lusaka at noon; Meeting with Chance Kabaghe/FSRP at 4:45-6:30 pm	1	1
Thursday	27-Jan	1	Anne in Eastern Province on PROFIT; Richard with VAS on FSRP & ACF	1	1
Friday	28-Jan	1	Anne in Eastern Province on PROFIT; Richard with VAS on FSRP & ACF (meeting at 11 am)	1	1
Saturday	29-Jan	1	Prepare for Debriefing, Major Conclusions, Recommendations	1	1
Sunday	30-Jan	0	Day Off Breakfast with Tim Durgan, ACIDI/VOCA at 7am	0	0
Monday	31-Jan	1	Prepare for Debriefing, Major Conclusions, Recommendations; 2:45 EG team debrief; 4-4:30 USAID FO	1	1
Tuesday	1-Feb	1	Debriefing with USAID at Debriefing with Projects Combined, 9-11 am; Possible at PROFIT office	1	1
Wednesday	2-Feb	1	Travel Day, Departure to Airport about 11:30 am, Begin Return to USA/Canada	0.5	1
Thursday	3-Feb	1	Arrive in USA or Canada late in afternoon		1
Friday	4-Feb	0	Day Off		
Saturday	5-Feb	0	Day Off		
Sunday	6-Feb	0	Day Off		
Monday	7-Feb	1	Writing on Draft	1	1
Tuesday	8-Feb	1	Writing on Draft	1	1
Wednesday	9-Feb	1	Writing on Draft	1	1
Thursday	10-Feb	1	Writing on Draft	1	1

Friday	11-Feb	0	Personal	1	
Saturday	12-Feb	0	Day Off		
Sunday	13-Feb	0	Day Off		
Monday	14-Feb	1	Writing on Draft		
Tuesday	15-Feb	1	Writing on Draft		
Wednesday	16-Feb	1	Writing on Draft		
Thursday	17-Feb	1	Writing on Draft		
Friday	18-Feb	1	Writing on Draft		
Saturday	19-Feb	0	Completion of 1st Draft, Send to USAID Electronically by Close of Day (May need to be later)		
Sunday	20-Feb	0			
Monday	21-Feb	1			
Tuesday	22-Feb	1			
Wednesday	23-Feb	1			
Thursday	24-Feb	1			
Friday	25-Feb	1			
	February 28 to March 5		5 work days for USAID/project personnel to Review the draft		
	<u>12-Mar</u>	2	One Week to complete Final Version, Hardcopy sent to DTS	1	1
			Depending on requested USAID edits, this may be completed earlier		
		41	Work Days	28.5	29
					26

ANNEX 3: LIST OF DOCUMENTS CONSULTED

ZATAC DOCUMENTS:

- OKOA General Dealers, Ltd., Business Plan, “YAPYA” Youth Investment Trust of Zambia, Kitwe, 2009
- CHIKWA Enterprises, Ltd., Business Plan, “YAPYA” Youth Investment Trust of Zambia, Kitwe, 2009
- R.K. AQUA Ltd., Business Plan, “YAPYA” Youth Investment Trust of Zambia, Kitwe, 2009
- Mopani Copper Mines PLC, Corporate Brochure, May 2010
- Mopani Copper Mines PLC, Former Miners’ Farm Project Brief, February 2004.
- Makumbi Farm Cooperative Society, Ltd. Income Statements April 1, 2009 – March 31, 2010 (12 months, last fiscal year); April 1, 2010 – December 31, 2010 (9 months of current fiscal year); December 1,2010 – December 31, 2010 (one month, most recent month completed)
- Chibote Multipurpose Cooperative Society, Income Statement: August 1, 2009 – July 31, 2010 (last full year report.
- USAID, ZATAC Project Paper, September 2007.
- ZATAC, Copperbelt Outgrower Initiative, Phase II, Year 1, 2nd Quarter Report, January – March 2008
- ZATAC, Copperbelt Outgrower Initiative, Phase II, Year 1, 4th Quarter Report & Annual Report, October 2007 – September 2008.
- ZATAC, Copperbelt Outgrower Initiative, Phase II, Year 2, 1st Quarter Report, October – December 2008.
- ZATAC, Copperbelt Outgrower Initiative, Phase II, Year 2, 2nd Quarter Report, January – March 2009.
- ZATAC, Copperbelt Outgrower Initiative, Phase II, Year 3, 3 Quarter Report, April – June 2009.
- ZATAC, Copperbelt Outgrower Initiative, Phase II, Year 3 (3rd Quarter Report, April – June 2010).
- ZATAC, Copperbelt Outgrower Initiative, Phase II, Year 3 (2nd Quarter & Bi-Annual Report, October 2009 – March 2010)
- ZATAC, Copperbelt Outgrower Initiative, Phase II, Year 3 (1st Quarter Report, October 2009 – December 2009)
- ZATAC, Copperbelt Outgrower Initiative, Phase II, Year 2 (4th Quarter & Annual Report, October 2008-September 2009)
- ZATAC, Capability Statement, November 2007.

- ZATAC, Copperbelt Outgrower Initiative, Phase II Application: Consolidating Economic Diversification, June 7, 2007
- ZATAC, Copperbelt Outgrower Initiative, Performance Monitoring Plan, October 2004-September 2007, October 2004.
- ZATAC, PowerPoint Presentation to Final Evaluation Team, Copperbelt Outgrower Initiative, Phase II, January 13, 2011.
- ZATAC PowerPoint Presentation, Propelling Zambia's Rural Economic Take-Off, January 2011.

PROFIT DOCUMENTS:

- PROFIT Zambia Impact Assessment Final Report. Office of Microenterprise Development/USAID – DAI Inc. August 2010
- USAID PROFIT 2010 Annual Report (Incorporating 4th Quarter 2010).
- PROFIT Presentation to USAID October 10, 2010.
- Revised Program Description for the Zambia PROFIT Program. In Response to: USAID/Zambia RFA for Extension of Cooperative Agreement No. 690-A-00-05-00077-00: USAID/Zambia, Strategic Objective No. 5. July 8, 2010. Submitted to USAID/Zambia by: The Cooperative League of the USA (CLUSA) D.B.A. National Cooperative Business Association (NCBA) in Partnership with Cardno Emerging Markets, USA, Ltd., Land O'Lakes International Development, NIRAS AB.
- PROFIT Monitoring and Evaluation Plan, December 2010.
- USAID PROFIT 2009 Annual Report (Incorporating 4th Quarter 2010).
- USAID PROFIT 2009 Annual Report, Incorporating Quarterly Report 4th Quarter 2009 (DATA Only – Revised 2010).
- Zambia's Agricultural Finance Market Challenges and Opportunities. A Study by PROFIT and Zambia National Farmers Union. December 2009. Mike Taylor, Joe Dougherty and Rob Munro.
- PROFIT Internal Assessment Data, 2009.
- SSP Empowers Orphan. Note from the Field 1.10, USAID/PROFIT
- The Value of Growing Zamseed Hybrids. Note from the Field 2.10. USAID/PROFIT
- Seed Industry Innovation – Pushing new hybrids in rural communities. Note from the Field 3.10. USAID/PROFIT.
- Village Agent Network Mitigates Against Effects of Fake Seed. Note from the Field 4.10. USAID/PROFIT

- Micropack Provides Solution to Maria’s Dilemma. Note from the Field 5.10 USAID/PROFIT
- The Benefits of Croplife Branding of SSP. Note from the Field 6.10. USAID/PROFIT.
- Spray Service Provision Boosts Smallholder Cotton Yields. Note from the Field 7.10. USAID/PROFIT
- Spray Race – An Innovative Business Solution to Cattle Spraying. Note from the Field 8.10. USAID/PROFIT
- Making Output Markets Work – The Maize Sheller. Note from the Field 9.10. USAID/PROFIT
- Facilitating Access to Financing. Note from the Field 10.10. USAID/PROFIT

ACF DOCUMENTS:

- ACF Annual Report, 2002-03
- ACF Annual Report, 2004
- ACF Annual Report 2007
- ACF Annual Report 2008
- ACF Annual Report 2009
- ACF Semi-Annual Report, July-December, 2009
- ACF Semi Annual Report, January-June, 2010
- ACF Semi-Annual Report, July-December, 2010
- ACF Background
- ACF USAID Contract 2004
- ACF Brief (power point) for the evaluation team
- ACF Strategic Plan 2008-2011

FSRP DOCUMENTS:

- FSRP 2008-09 Annual Report
- FSRP 2009-10 Annual Report
- FSRP Q3 Report July-Sept, 2009
- FSRP Q4 Report Oct-Dec, 2009
- FSRP Q1 Report Jan-March , 2010
- FSRP Q2 Report April-June, 2010
- FSRP Q3 Report July-Sept, 2010
- FSRP USAID Associate Award No. 690-A-00-03-00247 and Leader Award “Food Security III GDA-A-00-02-00021 to MSU, September 2003
- OP Indicators and Narratives- Food Security III Cooperative Agreement (GDA-A-00-02-00021-00)- Associate Award for Zambia-690-A-00-03-00247-00
- OP Indicators and Narratives FY09/10- Food Security III Cooperative Agreement (GDA-A-00-02-00021-00)- Associate Award for Zambia-690-A-00-03-00247-00
- OP Indicators and Narratives FY09/10- Food Security III Cooperative Agreement (GDA-A-00-02-00021-00)- Associate Award for Zambia-690-A-00-03-00247-00 (including accomplishments FY10)
- FSRP Proactive Proposal, October 2010
- FSRP: Background Data on Zambia’s Agricultural Sector: In Support of the USAID Mission’s Feed the Future Strategic Review, January 2011

GENERAL DOCUMENTS:

- Zambia: Economic Growth End of Project Evaluation (RFTOP No. 611-2010-16)- dTS response to the RFP
- MATEC End-of –Program Evaluation Final Report. Cardno Emerging Markets USA, Ltd (Formerly Emerging Markets Group Ltd. Submitted to USAID Zambia on 29 October, 2010.
- Assessment of USAID/Zambia’s, Economic Growth Portfolio, Final Report, September 2008

ANNEX 4: LIST OF KEY PERSONS AND ORGANIZATIONS CONTACTED

Organization	Name	Title/Position	Tel. Number	E mail address
PROFIT Project	Reuben Banda	Chief of Party	0966 718486	reuban@profit.org.zm
	Jemeh Egwuagu	Dep. Chief of Party	0977 976455	jemeh@profit.org.zm
	Joshua Munkombwe	Field Operations Manager	0977 610661	joshua@profit.org.zm
	Rob Munro	Senior Market Development Advisor	0977 475906	rob@profit.org.zm
	Frank O'Brien	Livestock Technical Advisor	0978 600823	frank@profit.org.zm
	Jonathan Mwewa	M&E Specialist	0977 892885	jonathan@profit.org.zm
	Nigel Wilkinson	Dairy / Livestock and Innovations Advisor	0977 790210	nigel@landolakes.com.zm
	James Luhana	Business Advisor - MSME	0977 789676	james@profit.org.zm
	Jonathan Mwewa	M&E Specialist	0977 892885	jonathan@profit.org.zm
	Dennis Seponde	Business Advisor: Dairy Field Assistant, Southern Province	0977 334090	sepodn@gmail.com
	Chilangwa Chisanza	Business Advisor: ZAMACE Field Assistant, Southern Province	0979 466233	Chizanza2005@yahoo.com
	Enoch Siankwilimba	Business Advisor, Southern Province		
	Alexander Hansingo	Business Advisor, Eastern Province	0979 468935	lwelwealex@yahoo.com

ZATAC Project	Likando Mukumbuta	Chief Executive Officer	0977 471711	Lmukumbuta@zatac.org
	Boyd Sitwala	Chief Accountant	0977 771931	bsitwala@zatac.org.zm
	Sombo Kandeke	Project Accountant COI	0966 785667	Sombo.kandeke@yahoo.com
ZATAC Copperbelt Individuals Met				
YAPYA Youth Investment Trust	Ruth Pengwo	Proprietor, RK AQUA Enterprise		
	Jessita Nyirenda	Proprietor, Chilwa Enterprise		
	Nalukuna Kanyanta	Proprietor, SHENGUK Investment Ltd.		
	Royd Useni	AKOA General Dealers		
	Marjory Chiyoma	Adorable Hair Salon and Beauty Palor		
	Andrew Chushi	Mandy Fast Foods		
	Monde Nalumango	Mandy Fast Foods		
Mopani Copper Mine	Chiuna Kabange	Manager, Corporate Affairs		
Chibote Multi-Purpose Cooperative Ltd.	Cosmas Bwalya	Board Chair Person		
	Bernard Malamba	Manager		
	Nervous Chisimba	Farmer		
	Isaac Chisimba	Farmer		
	Pecks Phiri	Farmer		
	Violet Samula	Farmer		
	Luta Chibuye	Farmer		
	Margarate Chipililuka	Board Member		
	Martha Musonda	Farmer		
	Etilise Mwinga	Farmer		
	Francis Walasa	Farmer		
	Scott Kaluba	Farmer		

	Howard Siyakayi	Vice Secretary/Accountant		
	Elvis Mukatika	Milk Handler		
Makumbi Cooperative Ltd.	Lazarous Mwape	Chairperson		
	Antony Chibuye	Farm Manager		
	Lackford Musonda	Vice Chairperson		
	Edson Musonda	Board Committee Member		
	Antony Lungu	Board Committee Member		
	Rodney Simumba	Board Committee Member		
	Emmanuel Chisanga	Accountant		
	Dorris Kabaso	Sales Person		
Parmalat	Misheck Mwanza	Extension Officer, Copperbelt Region		
	Peter Chushi	Factory Manager		
FRSP Project	Chance Kabaghe	Director	0967 133133	kabaghec@iconnect.zm
	Antony Chapoto	Chief of Party and Research Coordinator	0979 987851	
	Thom Jayne	Project Advisor and Co-Principal Investigator	0974 001047	jayne@msu.edu
	Nick Sitko	Research Fellow	0979 109790	njsitko@gmail.com
ACF Project	Masiye Nawiko	Programme Officer	0955 880202	acfs@acf.org.zm
	Christopher Kambole	Monitoring and Evaluation Expert	0955 665539	acfs@acf.org.zm
	Annie Mulenga Kapepula	Accountant	0977 584245	acfs@acf.org.zm
	Miriam Nkunika	Chairperson of ACF Board	0977 785030	Mjknkumika@yahoo.co.uk
USAID/Zambia	Andrew Levin	Economic Growth Team Leader/COTR/SO5	0978 770429	alevin@usaid.gov
	Olive Ndekazi Kaluwa	SO5	211 254305	nkaluwa@usaid.gov

	Mlotha Damaseke	Specialist: Agriculture and Natural Resources and Mission Environmental Officer	0977 800370	mdaseke@usaid.gov
	Ballard Zulu	Deputy Team Leader, Economic Growth	0978 459400	bazulu@usaid.gov
	Melissa Williams	Mission Director	0211 254532	
Mobile Technology Zambia Ltd.	Brad Magrath	Chief Sales Officer		brad@mtzl.net
WFP	Calum McGregor	Business/Systems Analyst Mobile Delivery	0978 779508	Calum.mcgregor@wfp.org
	Sarah Bentley			Sarah.bentley@wfp.org
WFP P4P	Felix Edwards	P4P Coordinator & Head of Local Food Procurement	0977 540212	Felix.edwards@wfp.org
ZNFU	Ndambo E.M. Ndambo	Executive Director	0211 255 770	ndambo@znfu.org.zm
	Hamusimbi Coillard	Head, Outreach Member Services and Administration	0966 787078	hamusimbi@znfu.org.zm
Cropserve Zambia Ltd.	Lytton K. Zulu	Managing Director	0978 894458 0966 757321	lkzulu@cropserve.co.zm
	Edgar Reed	Business Development Manager for Small Scale Farmers	0978 894457	
Dairy King Ltd.	Asif Essa	Managing Director	0979 511911 0955 849333	dairyking@zamtel.zm
Parmalat (Zambia) Ltd.	Piet Theron	Managing Director, Lusaka		
ZAMILK/Chisamba	Fred Choongo	Extension Officer (Dairy)		

IFC	Siobhan Franklin	African AgriFinance Program	0977 173516	SFranklin@ifc.org
ZAMACE	Brian Tembo	Executive Director	0966 799463	bktembo@zamace.com
PANNAR Seed Company	Ernest Chikote	Regional Manager – Southern Region		echikote@yahoo.com
	Mathews Zimba	Sales Assistant, Chipata, Eastern Province	0979 517327 0979 099031	
Dunavant Cotton Company	Kenneth Bakasa	Manager, Eastern Province	0977 927778	Kenan.bakasa@dunavant.co.zm
	Laitan Phiri	Spray Service Provider, Kangwelema, Katete District		
	John Lunugu	Tillage Service Provider, Mzime Village Eastern Province		
	Ashford Banda	Distributor/Buyer, Community Livestock Worker and Chair of Service Providers in Chilemwe, Eastern Province	0977 278547	
MRI Agro	Jasper Simanego	Regional Manager, Southern Province	0977 637576	
	Josephat Mwinga	Field Management Officer, Southern Province	0976 560980	
Government of Zambia	Dr. Kampamba	Chipata District Officer/Vet	0969 459598	
	Dr. Joseph Sitali	Eastern Province Vet Officer		
	Lydia M. Sambo	District Livestock Officer, Katate, Eastern Province	0977 944189	
African Carbon Credit Exchange	Lloyd Chingambo, Ph.D.	Chairman	0955 771077	lchingambo@africacce.com Chingambo2@yahoo.com

Green Knowledge Institute	Karin Sosis	Programme Coordinator	0974 255832	ksosis@africacce.com
Central Statistical Office	Goodson Sinyenga	Deputy Director, Economics and Financial Statistics	0976 447012	gsinyenga@zamstats.gov.am
	Modesa Banda	Deputy Director, Agriculture and Statistics	211 250532	jjshawa@maff.gov.zm
Cotton Board of Zambia	Joseph Nkole	Board Secretary and National Coordinator	0977 776262	josephnkole@cotton.org.zm
SIDA	Eva Ohlsson	Embassy of Sweden	0977 771285	Eva.ohlsson@foreign.ministry.se
Millers Association	Peter Cottan	Chairman	0966 861559	peter@nmc.co.zm
Grain Traders Association	Jacob Mwale	Executive Director	0977 7988897	J_mwale@yahoo.com

ANNEX 5: PRESENTATION FOR USAID/ZAMBIA ECONOMIC GROWTH END OF PROJECT EVALUATION

2

USAID/Zambia Economic Growth End-of-Project Evaluation

Anne Turner, Agronomist
Vas Aggarwal, Agronomist
Richard Swanson, Economic Anthropologist

31 January 2011




Major Conclusions

MAJOR CONCLUSIONS: THE SO 5 FRAMEWORK

- Framework initially well-conceived, addressing key private (firms, households) and public sectors, for Zambian institution building and for targeted impact on smallholder farmers and private sector firms.
- USAID/Zambia a great example of long-term programmatic support, essential if ultimate success is to be realized
- PROFIT, ZATAC, FSRP, and ACF projects met or exceeded their intended targets (often a numbers game that failed to ask –so what?)
- Impact: All 4 projects also have achieved real impact of the kind anticipated; however many missed opportunities for better measurement & documentation
- Scale: Support to private sector firms and agent networks a 'means to an end' for target population (scaling up)
- Strategy appears to have become 'frozen in time (2004 PMP), without constantly keeping these ultimate goals and objectives in mind; PMP's not updated.
- USAID/Zambia in later years (2009, 2010) appears to have lost initial focus, resulting in decreased support to building Zambian private sector capacity (marketing, finance, policy environment)

MAJOR CONCLUSIONS: THE SO 5 FRAMEWORK

- Projects eventually end, only local institutions created or reinforced by project resources have the potential for continuing long-term impact and sustainability
- SO5 Projects initially interacted, then became single-tract projects with little or no interaction or cross-fertilization (ZATAC example)
- ZATAC remains the exclusive example of successful launching of a sustainable Zambian private sector 'legacy' entity capable of professional TA to firms in agri-business entrepreneurial development and linkage to markets.
- Missed opportunities for PROFIT and FSRP/ACF to become stand-alone 'legacy' private sector entities between 2004 -2010. As a result, there remains a
- Lack of capacity within GRZ and the Zambian private sector continues to be a key constraint to 'private sector led agricultural growth'
- Performance Monitoring for results and impact was weak for all four projects reviewed, in addition to MATEP.

MAJOR IMPACTS/ACHIEVEMENTS: ZATAC-COI

- (1) Self-sustaining, learning, local entity capable of supporting Zambian SMEs for business planning, accounting practices (PASTEL), & linkage to markets; proven expertise in business plan development
- (2) Ability to attract both private and international funding support to assist Zambian SMEs (\$1.3 million in past three years alone, with support guaranteed for coming years)
- (3) Experience in management of loan funds (ZIF, MIF) and holding clients liable to debt recovery
- (4) Realization of importance of focus on productive 'cash-cows' for year-round income flows for smallholders to succeed and grow their businesses (banana, vegetables, milk/dairy, eggs)
- (5) Three major Copperbelt irrigation perimeters with private enterprise focus, successfully marketing commodities to regional markets
- (6) Seventeen Copperbelt youth enterprises, employing ever increasing numbers of people, respecting loan repayment requirements: potential of ca. \$875,000 net yearly profits by 2014, initial cost of \$966,000. Loan portfolio of \$626,034 likely to be paid in full - launching these businesses towards even greater heights.

ZATAC-COI

- **Least Impact:** When paprika and honey firms supporting Copperbelt out-growers collapsed, these commodities were abandoned.
- **Achievement of Performance Targets?**
Targets were reached, and in some cases exceeded.
- **Sustainability?** ZATAC a respected and recognized Zambian firm which supports agri-businesses firms to acquire skills to become competitive and access markets. ADP and Imaginations/Group consider ZATAC an excellent partner, best among 21 countries in Africa
- **Private Sector More competitive?** Clearly the case with the 17 youth enterprises, and two of three Copperbelt irrigation perimeters.
- **Value for Money?** Yes, Entire cost of USAID investment to ZATAC itself in past three years will be recovered in increased value of production from smallholders and private enterprises launched.

CONSTRAINTS/ WEAKNESSES: ZATAC-COI:

- USAID/Zambia still treats ZATAC like a 'project', indicating lack of understanding of requirements to function as a private sector entity.
- Lost agricultural season (Phase 1) because of delayed funding
- Lack of NICRA from USAID for contracted work
- Delays to resolve issues of the MIF which ZATAC had managed, and for which it is still legally responsible for loan recovery (+ \$2 million)
- Continuing weakness for field data monitoring for results and impact; poor quality quarterly reporting on performance results

CONSTRAINTS/ WEAKNESSES:

PROFIT:

- Potential collapse of maize market should prices drop sharply following elections (negative impact on firms/agents)
- Weaknesses of agents as entrepreneurs in business management skills, accounting
- Not well integrated with other SO projects
- Unequal gender impact (overall, men benefitted directly to a greater extent than women)
- GRZ intervention in the maize VC hindered project's efforts to effect sustainable change in the maize output market, FISP reduced impact project could have had with private fertilizer firms
- Firms reluctant to invest in research to find new markets and accompanying community agents
- Future of ZAMACE is uncertain, in no small part due to politics (the FRA) – if it folds, a significant amount of project TA and funding may be completely lost

MAJOR IMPACTS/ACHIEVEMENTS: FSRP

- (1) Impossible to over-estimate impact of FSRP applied research papers on the Zambian economy since 2004; continuing demand for same from GRZ ministries, Parliament, donors and private sector stakeholders alike give powerful witness to a thirst for informed decision making.
- (2) 78 high quality applied research publications requested by GRZ ministries, parliament and other stakeholders to objectively inform decisions on proposed new policies, revisions of old policies which impact private sector productivity and competitiveness; 18 of these were completed in 2009 and 14 in 2010.
- (3) 33 capacity building courses provided
- (4) 171 outreach documents prepared for professional conferences for various stakeholders; 42 of these completed in 2010

MAJOR IMPACTS/ACHIEVEMENTS: FSRP

- (5) 211 documents posted on FSRP's website (<http://www.aec.msu/fs2/zambia/index.htm>), therefore valuable resources available both regionally and internationally.
- (6) Farm Fertilizer Supply Program in reducing input pack size from 1 ha. to ½ hectare
- (7) Reduction of maize prices from KW 85000 to KW65,000 for 50 kg bag of maize
- (8) Formulation of Marketing Act, Credit Act for Warehouse Receipt System
- (9) E-Voucher Scheme proposal
- (10) Signing of CAADP agreement and removal of VAT and 45% withholding tax

FSRP

- Least Impact: Maize Value Chain (delay in Marketing and Credit Act); Fertilizer Value Chain; CSO training (high attrition rate of trained staff)
- Achievement of Performance Targets? Yes.
- (1) Capacity Building: close to 300 individuals trained in MACO and CSO alone
- (2) Applied Research: Policy reforms analyzed (targets exceeded; 19 reforms analyzed)
- (3) Outreach: Policy reforms presented for legislation/decrees (targets exceeded; 11 reforms)
- Sustainability? Not as currently structured

FSRP

- Private Sector More competitive? Perhaps.
 - (1) e-voucher system may increase competitiveness
 - (2) Partial removal of maize export ban helpful
 - (3) Reduced fertilizer input support from GRZ helpful
 - (4) CAADP may lead to new investments by public sector in road networks, transport
 - (5) Removal of VAT on imported inputs and 45% withholding tax on ag transactions
- Value for Money? Perhaps, but major most important policy issues not resolved (FISP)

CONSTRAINTS/ WEAKNESSES: FSRP

- Delayed Zambification: Fact that after so many years in Zambia, MSU has not yet created a Zambian private applied research institution capable of continuing impressive record of research and statistics for Zambian decision makers
- Perceived as a MSU driven project, or driven by USAID interests in Zambia
- Difficult to retain experienced, trained Zambian staff

IMPACTS/ACHIEVEMENTS: ACF

- (1) Existence of a private sector legal entity to bring private sector stakeholders together as a forum to discuss ways to influence GRZ policy
- (2) Giving private sector stakeholders a voice
- (3) Helping to influence the direction of applied research to address national policy issues
- (4) Contribution to the Farm Input Supply Program in reduction of subsidized input packs (created opening for private sector input suppliers)
- (5) Support to Marketing Act, Credit Act, E-Voucher System, etc. (all still in process)

ACF

- Least Impact:
 - (1) Poor communication or awareness efforts
 - (2) Slowness in GRZ actually implementing recommended policy reforms
 - (3) Imbalance in power of stakeholders
 - (4) Lobbying efforts weak, due to weak linkages with political leadership
 - (5) Quarterly reports are weak.
- Achievement of Performance Targets? Targets exceeded (27 policy reforms analyzed, 17 policy reforms presented for legislation);
But issue is 'So What?'

ACF

- Sustainability? No, fully dependent on outside donor support; MACO influences agenda and staffing, so not truly independent. Lacks strong leadership with understanding of policy dynamics and how to bring people together around issues of importance.
- Private Sector More competitive? Stakeholders' meetings have helped to bring GRZ attention to policy issues impacting private sector
- Value for Money? Probably. Forum provides a cost-effective venue where different stakeholders can come together and discuss issues.

CONSTRAINTS/ WEAKNESSES: ACF

- Seems to have lost its way in recent years, much of its credibility (overshadowed by FSRP?)
- No longer proactively engaging stakeholders, but simply serving as a Secretariat for other groups
- Lack of strong leadership
- Seen as an arm of MACO (lost independence?)
- No well defined vision for future, or work plans for the year

Major RECOMMENDATIONS

ZATAC

- Endow ZATAC with all the rights and privileges of a Zambian agri-business support and training firm
 - Focus earlier on value chains other than rain-fed crops to produce a more consistent and continuous income stream for smallholder farmers.
 - Tough Love: Fear not the task of going after delinquent loans, when business plans show that a client is falling behind and may not be able to meet payment obligations.
 - MATEP Investment Fund: Best to transfer the loan portfolio back to ZATAC Ltd. and agree upon any post-award reporting requirements. Alternatively, consider hiring ZATAC to take advantage of their legal mandate to recover outstanding \$2 million+ loans, then transfer any proceeds back to USAID.
- Unacceptable option: write off the loans altogether - this would set a terrible precedent and reinforce dependency tendency of not taking USAID loan portfolio funding seriously (instead considering them as grants).

PROFIT

- Consider ensuring sustainability via support to MUSIKA - it could take over where PROFIT leaves off and become a self-sustaining Zambian institution if provided start-up support
- Build the successes of PROFIT (Firm-Agent Model, Leasing Program) into new USAID EG projects
- Engage a gender specialist in the design of and development of work plans for new USAID EG projects to enhance the likelihood of a greater proportion of direct beneficiaries are women
- Continue to support Zambia's ACCE which was launched with PROFIT support

ACF/FSRP

- Accelerate Merger Process; delays risks entire process unraveling.
- Structure proposed for merger appears realistic, as long as all three senior positions are Zambian professionals, compensated at levels required to retain them
- Current ACF board should be expanded to include UNZA and CSO.
- Protect the merged entity by limited GRZ direct funding, with current and future support revenues coming from the Zambian private sector, regional and international stakeholders, international donors or other international institutions.
- Move MSU's link as managing institution over this merged entity to a sub-contracting arrangement, so that new organization's executive personnel are not perceived as an extension of MSU itself, or of US government interests in Zambia

GENERAL RECOMMENDATIONS

- Continue to prioritize support towards Private Sector firms and smallholder enterprises, thereby reinforcing long-term capacity building.
- If long-term sustainability remains important to USAID, more serious efforts need to be taken to nurture growth of Zambian managed entities capable of continuing project efforts.
- Consider contracting with an outside firm to interface between USAID/Zambia and the Mission's Implementing Partners in oversight, coordination, and timely data flows to USAID for performance monitoring on result and impacts.
- Youth: Focus greater attention on creating enterprise opportunities for the 'youth population bulge' - full of young people eager to make something of themselves.
- Examine how USAID/Zambia policies impact local organizations to see if there are opportunities for making it easier for an entity like ZATAC (eventually MUSIKA or the FSRP/ACF merger) to do business with USAID and better serve the people of Zambia. Was this not the SO5 ultimate objective?

GENERAL RECOMMENDATIONS

- Consider leveraging ZATAC experience in creating workable business plans for small businesses by encouraging SO5 projects like PROFIT to engage ZATAC to support the entrepreneur groups being established.
- Look forward, and not in the rear-view mirror, when developing new program initiatives. New and potentially very significant innovations are taking place in Africa & elsewhere that might give new energy to current SO5 goals and objectives.
- Feed the Future Initiative: Smallholder farmers make rational decisions; Need modern tools (solar lighting, cell phones, etc.) Focus on all-year-round sources of income (e.g. milk, vegetables, banana/irrigation, eggs, beef, porc); Caution with maize. Oil seed crops (sunflower, groundnuts, soybeans) promising.



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ANNEX 6

EVALUATION OF THE PRODUCTION, FINANCE, AND IMPROVED TECHNOLOGIES (PROFIT) PROJECT – USAID/ZAMBIA ECONOMIC GROWTH END OF PROJECTS EVALUATION

March 11, 2011

Prepared for the United States Agency for International Development, USAID Contract Order Number AID-RAN-I-00-09-0015, Task Order Number: AID-RAN-I-04-09-0015 Task Order Title: USAID/Zambia Economic Growth End of Projects Evaluation

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PROGRAM DEVELOPMENT HYPOTHESES, STRATEGIC FRAMEWORK DESIGN AND RESULTS FRAMEWORK

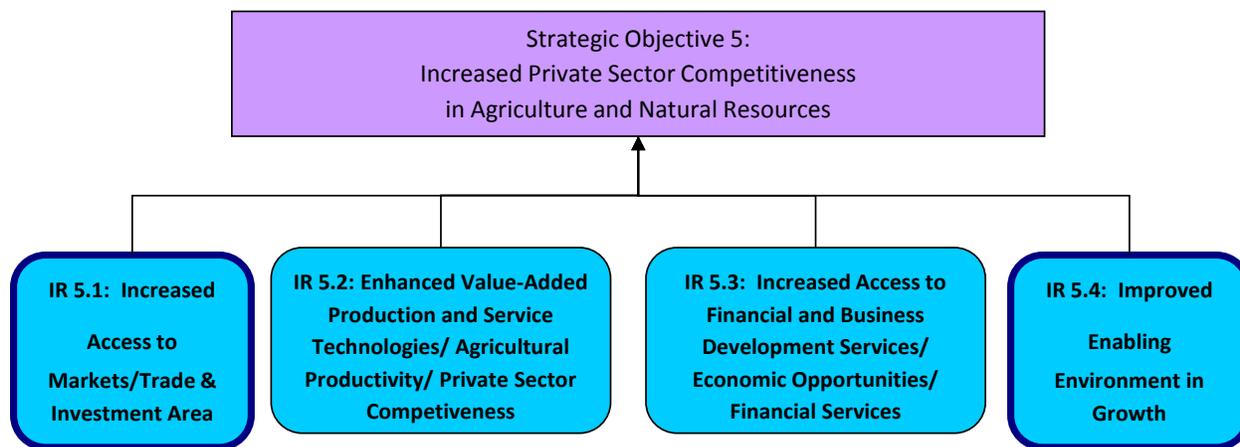
USAID/ZAMBIA SO 5 PROGRAM DEVELOPMENT HYPOTHESIS, STRATEGIC FRAMEWORK DESIGN AND RESULTS FRAMEWORK

USAID/ZAMBIA's Strategic Plan for 2004-2010 included activities in a number of program objectives. The over-arching Strategic Objective 5 (SO 5) for the Economic Growth program was to “*increase private sector competitiveness in agriculture and natural resources*” within the region and internationally, of *Zambian farmers and firms, with special focus towards Zambian small holder farmers*. In the process of developing this focus, USAID/Zambia had identified over the earlier ten years the main constraints to agricultural development and small-scale rural agri-business competitiveness to be:

1. Lack of capacity, clarity, and consistency within *Zambian Government* to generate and implement liberalization policies, conducive to private sector-led agricultural growth;
2. Poor market access and under-developed markets that limit production;
3. Inadequate sources of finance and capital; and
4. Low farm and firm-level production and productivity.¹

This understanding of the principal constraints at the time led to creation of the Strategic Framework for the Zambia Economic Growth program which essentially posited the hypothesis that ‘*by increasing private sector competitiveness in agriculture and natural resources, the main constraints to agricultural development and small-scale rural agri-business competitiveness would be enhanced*’. There was also a clear intention that food security and improved economic welfare would also be enhanced among the rural poor targeted. The USAID/Zambia Strategic Objective #5 framework is illustrated below in Figure 1.²

Figure 1: USAID Economic Growth Results Framework



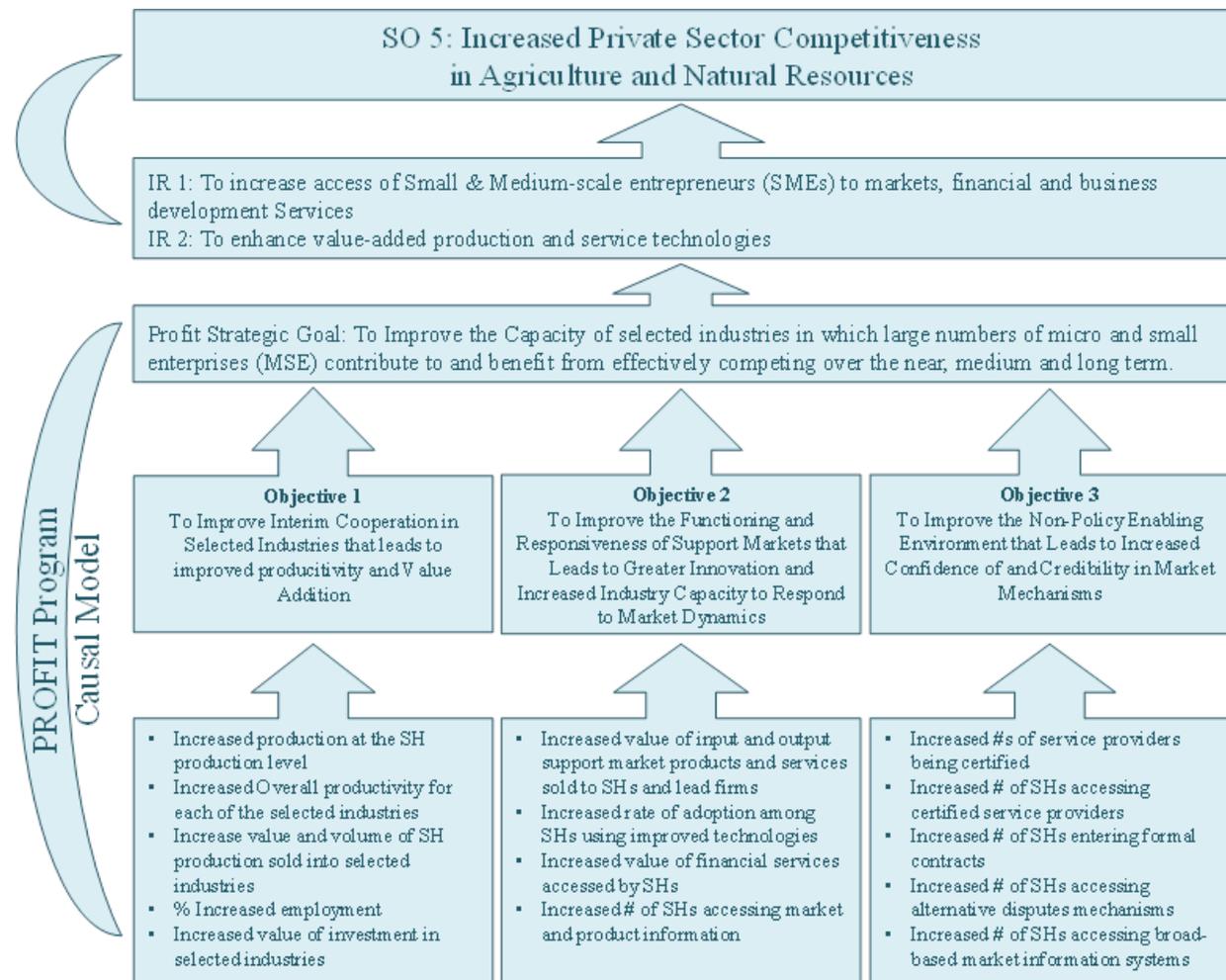
¹ USAID dTS Scope of Work for Zambia Evaluation, p. 1, 2010. This SOW may be found in Annex 1 of the Final Evaluation Report.

² SO Framework from Updated Performance Monitoring Plan, USAID/ZAMBIA, 2004-2010, January 2009, p. 3

PROFIT PROGRAM DEVELOPMENT HYPOTHESIS, STRATEGIC FRAMEWORK DESIGN AND RESULTS FRAMEWORK

PROFIT developed a well-conceived logical framework linking its activities to the USAID SO 5 framework above. The casual results framework below in Figure 2 illustrates PROFIT’s overall approach to performance monitoring during the life of the project.³ After reviewing the program, it became clear that PROFIT also addressed the other two IRs of the framework as well: IR 3: Increased Access to Business Development Services and IR 4: Improved Enabling Environment in Growth.

Figure 2: PROFIT Results Framework



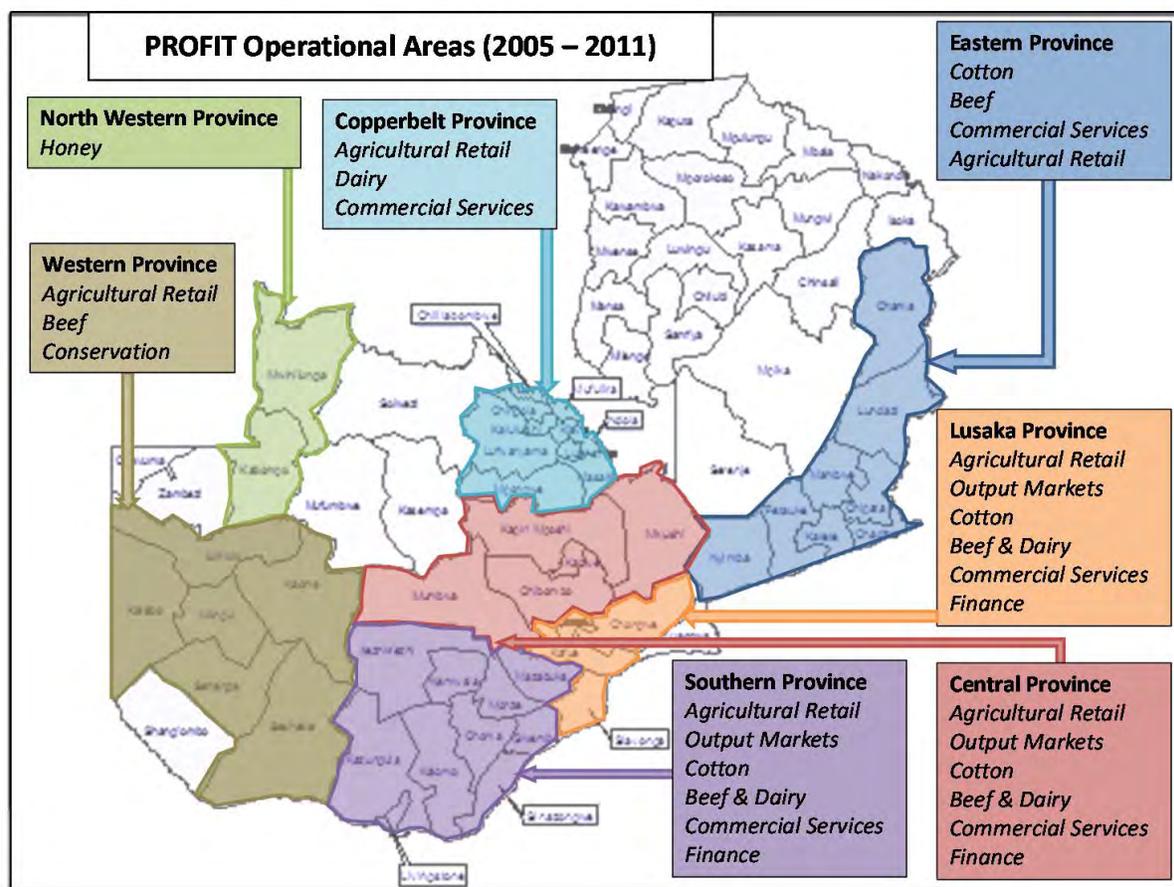
BACKGROUND

PROFIT is a six-year program that used production finance and improved technology as the means to achieve USAID’s broader objective of “Increased Private Sector Competitiveness in Agriculture and Natural Resources”, or Strategic Objective #5 (Figure 1 above). PROFIT is being implemented by the Cooperative

³ USAID/PROFIT Project, Monitoring & Evaluation Plan, January 2008, p. 4.

League of the USA (CLUSA) and Cardno Emerging Markets Group, with NIRAS and Land O'Lakes as sub-grantees. The project began in April 2005, and has been extended up until the end of September 2011. With a budget of approximately \$20 million, the project has worked in several agricultural value chains (maize, cotton, and livestock) as well as assisting Zambia's agricultural finance industry. The PROFIT team is comprised of both international and local technical expertise and has staff in the field in 16 key agricultural regions of Zambia (especially the Southern, Lusaka, Central and Eastern Provinces) in addition to the core staff based in Lusaka, the country's capital (see map below).

An evaluation of three areas of PROFIT's interventions (maize, cotton and beef) was completed in August 2010. This report, therefore, is focused on PROFIT's overall "industry approach"; for more detailed analysis of the impact of PROFIT on the maize, cotton and beef value chains, the reader is referred to the PROFIT Impact Assessment Report commissioned by USAID's Office of Microenterprise Development, conducted by Development Alternatives Incorporated.



PROFIT's objective has been the integration of smallholder Zambia farmers into commercial input and output markets, using a demand driven approach. The project's work has been guided by the following four hypotheses⁴:

⁴ Taken from an August 2010 Impact Assessment Report on PROFIT, sponsored by the USAID Office of Microenterprise Development and compiled by Development Alternatives Inc.

1. Project activities will lead to increased sector productivity and increased on-farm income.
2. Smallholder farmers will benefit from project activities in the form of increased productivity, sales and profits.
3. If the firm-level impacts are achieved, they will result in improved welfare within smallholder households as indicated by higher household income, asset accumulation and the ability of participating households that are poor to climb above the poverty line.
4. Improved sector and firm performance will be preceded by measurable firm-level outcomes, including reduced inventory, input and transportation costs; increased number of farmers accessing retail service and using farm inputs; increased farmer knowledge about inputs and their use; and increased access to embedded or bank finance.

STRATEGIES FOR COMMON APPROACHES, PROGRAM INTEGRATION AND IMPACT DIFFUSION

PROFIT is to be commended for realizing that the traditional CLUSA approach employed in Zambia would not achieve sustainable results, and revising their strategy during the first year of project implementation so as to maximize the chance of having an impact beyond the life of the project. By switching from the previous CLUSA employed methodology of “donor-value-chain-dominance” to the PROFIT one based on market development, the project was able to bring about significant achievements in numerous arenas – from the firm-agent input/service supply network to the establishment of the African Carbon Credit Exchange – which will have a lasting impact on agriculture in Zambia.

PROJECT MANAGEMENT AND COORDINATION

PROFIT has a flat management structure based on learning, innovation and quick response to changing market dynamics. While undergoing several changes in project management over its six year’s duration, PROFIT’s activities were not adversely affected, and the successes achieved were built upon, expanded and extended to new developments from one year to the next. The project, at the time of evaluation (January 2011) presented a strong, coordinated team from Lusaka Head Office staff to the field staff, known as Business Advisors, who are located in the provinces.

STAFFING AND CAPACITY DEVELOPMENT

As mentioned above, the PROFIT team is comprised of both international and local technical staff, local support staff and field-based in 16 Districts of Zambia. There has been considerable staff turnover at the level of Chief of Party; however the group appears to have continued working together as a smoothly running team, as least since revision of the project approach in 2007.

PROFIT’s overall approach to administration and team management is “Fostering improved knowledge management within the market facilitation field team”. The project seeks to achieve this goal through a variety of means. Staff management trainings are conducted which focus on a review of project implementation and upgrading the staffs’ skills so that they can effectively use the market response at any given time to effectively facilitate market dynamics. Regional team meetings are held to build the capacity of team members with respect to strengthening their “coaching” approach in their work with private sector firms. Staff is evaluated on an annual basis, using a performance incentives/awards scheme based on their contribution to the project; non-monetary incentives are provided, e.g. circulating the staff achievements

amongst their peers. The field staff is provided technical backstopping by the technical team both on a technical and supervisory basis. Home Office staff work directly with the field staff to build their skill base so as to facilitate the internal firm management capacity building, forecasting, strategic planning and in-community promotions. There are also staff exchange visits so that those who make notable achievements, e.g. scaling up the service provision platform so they can share their experiences and techniques with other staff members.

The evaluation team worked closely with a number of the Home Office as well as field staff over three weeks in January 2011, and found all to be knowledgeable, motivated and having achieved remarkable goals. Both home office and field staff are now so highly skilled that they are already being sought to work with private sector firms or other donor-funded projects once PROFIT has ended. One field staff member is so well recognized for his achievements that according to another member of the staff “whenever another donor project goes to the province, they call on him first” and said individual has been included on a CLUSA proposal for an upcoming project in a difficult part of West Africa.

MONITORING AND EVALUATION (M&E) SYSTEM AND TARGETING OF BENEFICIARIES

PROFIT’s M&E System was clearly defined, and based upon the following principals⁵:

- Meets the needs of all the stakeholders – the farmers, the service providers, lead firms, PROFIT staff, sub-grantees, USAID;
- Measures the impact of PROFIT strategies on the livelihoods of those involved;
- Identify what needs to be done, how, where, when and by whom;
- Identify what works and what doesn’t work;
- Sustainable – continues after the end of PROFIT;
- Participatory and involving;
- Informs all stakeholders and fits with their systems; and
- Is simple, is useful and is used.

PROFIT followed a “causal model”, which was defined within the context of USAID’s Strategic Object Number 5 (Table 2 above). PROFIT added more context to this broad objective as a means to set a vision for selected industry competitiveness; the implementation activities were defined around three goals:

- Improve inter-firm cooperation within the selected core value chains
- Develop support of markets of critically important services and products for the selected value chains
- Foster improvements in the non-policy environment that build credibility and confidence in market systems

⁵ Taken from the PROFIT Monitoring and Evaluation Plan, December 2010.

PROFIT's beneficiaries include "direct clients", who are private sector entities on both the demand, and supply sides, who invest in developing productive relationships with the smallholder farmers, and "target clients" who are comprised of approximately 300,000 smallholder and emergent farmers who have the ability to invest in their crop production and livestock activities, with resulting contributions to Zambia's agricultural growth.

The project started with a market analysis and worked backwards to identify the constraints hindering smallholder farmers' linkages to markets. This resulted in PROFIT's focusing on agricultural inputs/services as well as the output markets.

IPTT INDICATORS: PROJECT OUTPUTS, OUTCOMES AND IMPACTS

PROFIT's performance indicators took two forms: the 17 Operational Plan (OP) indicators required by USAID/Zambia and the 24 indicators developed by PROFIT itself to monitor its own outcomes and impacts. Both of these sets of indicators are provided in Annex 1, with annual targets and results, including life of project (LOP) results achieved through September 2010. These latter indicators were tied directly to its over-arching causal model, and fell into one of the following categories:

- Trade/Export
- Production/Sales/Value Addition
- Technologies
- Finance
- Business Development Services
- Policy
- Training

Although PROFIT's activities will not end until September 30, 2011, the project largely met and in some cases surpassed its output/outcome indicators by the time of the evaluation. The only exceptions are in the areas of private sector integration of HIV/AIDS prevention activities at the workplace and high value crop (pineapple) production. In the case of the former, funds from PEPFAR were exhausted before the activity could be fully implemented, and in the latter case, both the buyer and producers failed to adhere to contractual arrangements, with the result being PROFIT's cessation of its involvement in this arena.

As is noted in the main body of this report, PROFIT, along with other USAID/Zambia Economic Growth projects achieved significant impacts, however did not have a method in place for good measurement and documentation of project impact at the beneficiary household level. When asked by the evaluation team to conduct supplementary analysis of project results, the PROFIT M&E specialist was able to show significant project impact hitherto unreported. For example, this information, combined with a review of achievements by September 2010 reported in the projects PMP indicator table show major impacts that include, but are not limited, to the following:

1. Structural changes in agricultural retail and livestock (dairy and beef) markets, introduction of new techniques and technologies;
2. Input sales by private sector Zambian firms to smallholder farmers increasing each year, with a 57% increase in 2010 alone to \$1,158,951 of sales.

3. 57,473 smallholders purchased inputs from their community agents last year, a 10% increase in the number of smallholders from the previous year.
4. Maize acreage cultivation is increasing, from an average of 1.57 hectares in 2009 to 2 hectares in 2010. Total hectares in maize increased by 8% for PROFIT supported groups in 2010 to 114,946 hectares under hybrid maize sold by the agent network.
5. 182,729 households, representing more than 1 million people, now use improved inputs (i.e. hybrid maize) and services thus increasing the productivity of crops grown (especially maize and cotton) and livestock.
6. Over 2,485 community-based agents are now serving benefiting households. The ‘micro-enterprises’ represented by each of these agents are funded through commissions earned on the sale of inputs and services from private sector firms. Each agent is free to sell products/services from more than one firm.
7. Within the livestock sector, some 7,823 households, representing at least 50,000 people) are being served by 93 agents representing one or more of the ten firms worked with by PROFIT. Inputs/services purchased include control of tick-borne diseases. Livestock mortality reduced, with corresponding herd increases (beef and dairy).
8. Hybrid maize seed sold through agents increased by 60% in 2010, with smallholder farmers spending \$492,130 in 2009 and \$824,163 in 2010 for such seed from the agent network.
9. Herbicides and application services sold by agents to smallholder farmers increased by 26% in 2010 alone, with farmers expenditures of \$4,425,421.
10. \$185,000 of income earned in commissions by community agents from their sale of input from the firms they are associated with; this income represents a very important inflow of capital into these communities.

More detailed explanation of the PROFIT project’s impact on Zambia’s agriculture sector is provided in the sections below and specific achievements for each of the indicators monitored over the life of the project can be reviewed in Attachment 1. It should be noted, however, that the PROFIT project most likely underestimated the improvements it brought about in the livelihoods of smallholder Zambian farmers.

REPORTING AND COMMUNICATIONS

PROFIT used a “Knowledge Capture and Data Quality” system comprised of tools and processes used by the project to capture both tacit and explicit knowledge; this knowledge was then used to both “feed into the pathway system to inform on-going and follow-on interventions, but also required reporting regimes”⁶. The tools employed a variety of methods, such as regional team meetings, staff exchanges, small-group learning workshops and an annual staff retreat to capture “tacit knowledge”. “Explicit knowledge” is captured via monthly tracking reports, the aggregated figures of which are rolled into its quarterly and annual reports. PROFIT compiled and submitted both types of reports to USAID in what appears to be a regular and timely manner. While more use could have been made of the data to report on “impact”, the reports were otherwise extremely well written and gave a clear picture as to “where the project had been, where it is now and where it is going”.

⁶ A comprehensive explanation of the “knowledge capture” system and how it was used is provided in PROFIT’s Monitoring and Evaluation Plan December 2010.

PROFIT also produced a series of ten “Notes from the Field” in 2010 to provide some measure of impact at the farmer household as well as community level, and to enable the project to improve its knowledge management. These documents for the most part did show quantitative, as well as qualitative impact, however more at the level of individual or selected groups of beneficiaries. Had a similar analysis been applied of all beneficiaries of a given intervention, this would have been very useful in demonstrating PROFIT impact at a more “macro” level. Annex 2 provides four examples of such impact through use of hybrid maize and other improved seed, and cotton and cattle spraying.

PROJECT COMPONENTS AND RESULTING IMPACTS ON IMPROVED PRODUCTIVITY AND LIVELIHOODS

COMPONENTS AND BENEFICIARIES TARGETED

The PROFIT project took a novel approach, working with different agricultural and financial industries, rather than focusing on specific agricultural value chains. The project has “Direct Clients” comprised of “private sector entities on both demand and supply side, investing in developing productive relationships with the smallholder market” and “Target Clients” who are “approximately 300,000 smallholder farmers and emergent farmers that have the ability to invest in their production and drive Zambia’s agricultural growth”⁷. A brief summary of the project’s achievements in the different “industries” is provided below.

The Agricultural Retail Industry

One of PROFIT’s most successful achievements was in the agricultural retail industry. In assisting private sector agriculture inputs and services firms to both identify new markets – comprised of previously untargeted smallholder farmers – and community based agents who serve to both procure inputs and supply agricultural advisory services to their rural communities – PROFIT succeeded in bringing about structural changes in agricultural retail markets as well as introducing new techniques and technologies in the project’s areas of intervention. PROFIT’s work in “market facilitation” included: brokering commercial relationships and building trust between all actors in several agricultural value chains, using only a minimal amount of direct donor subsidy and intervention to avoid market distortion, a focus on behavior change of the value chain actors and creating a “cycle of confidence” so as to bring about improved livelihoods in the targeted smallholder farmers.

When the project commenced operations, they found that the agricultural inputs/services industry had previously focused only on supplying the commercial farming sector. PROFIT selected private firms willing to work with smallholder farmers and communities willing and capable of participating. The communities selected one of their members to work as agents, who were provided training by the firms in product knowledge as well as sales and marketing. Each agent has a contract with a given input supply firm, and earns a commission on product sales. It is in the interest of the firm to have a “contact farmer” who can not only provide field demonstrations and farmer-training, but feedback on how the firm’s products are meeting the farmers’ requirements – or not. This will in turn increase the chances of the firm’s providing the best inputs for each community. By allowing the community to select the agent from within its members, a degree of trust was built into the network, with agents who proved to be unreliable being dropped with time. PROFIT

⁷ Taken from a PROFIT January 2011 presentation to the evaluation team

did not “aggregate” farmers into producer organizations, but simply worked with whatever group form was found to exist.

The agents are linked to a single firm for provision of a given input (e.g. maize seed), but a given agent can be linked to other private sector firms for provision of other products and services (e.g. herbicides, veterinary products and services, commercial output marketing firms). Three years after the initiation of the in-community agent model, firms are expanding the range of products they supply, and more than one firm can provide products and services to a given community, with firms now setting up stores closer to the communities. Furthermore, competition between firms has grown, which drives down prices and improves the quality of products on offer.

With time, the agent network has evolved to add service provision (e.g. spraying for crop pests, herbicide application, and tick-control in livestock) as well as aggregating products for output markets. The network has grown both in size and complexity of organization. At the time of project evaluation, the number of firms investing in the smallholder farmer market had grown to 15, the number of agents working on a commission basis was just under 2,500, directly servicing over 180,000 farmer households. The agent model now incorporates sub-agents, “hubs” and spray service and/or tillage service providers. There are many more farmers who benefit indirectly via “word of mouth”. While not directly targeting maize, around 90% of the inputs sold through the agent network are hybrid maize seed and herbicides/herbicide application services for maize cultivation. The land area under cultivation to maize in the areas of PROFIT’s intervention has increased – from an average of 1.57 ha in 2009 to 2 ha in 2010. Total hectares under maize production are also on the increase (e.g. growing by 8% between 2009 and 2010 alone).

The Commercial Service Provision Industry

In addition to improving smallholder farmers’ access to inputs, PROFIT used the agent network to facilitate the development of micro-businesses with the appropriate equipment and entrepreneurial ability to provide agricultural services to members of their communities for a fee. This included training of spray service providers in safe use of pesticides, with the training and certification conducted by CropLife Zambia. In 2010, over 1,200 spray service providers were trained and certified. With PROFIT assistance, a network of tillage service providers (both ox and tractor driven), totaling over 1,000 in number, was developed which prepared 6,000 hectares of smallholder land in 2010. The combination of spraying and tillage services has resulted in cotton and maize yields significantly increasing, by 100% in the case of cotton. So as to make the best use of their equipment, many spray service providers have undertaken provision of acaride-sprays to control tick-borne diseases in cattle (explained in greater detail below). Those farmers who succeeded in purchasing tractors via a leasing program generate extra income by using their machines to haul products to markets (e.g. cotton from smallholder-production to cotton ginneries) as well as carrying input supplies (cotton seed, pesticides, herbicides) from central distribution points to their communities.

The Livestock Industry

PROFIT’s intervention in the livestock industry (both beef and dairy) began with training community livestock workers/agents and linkages developed with private veterinarians to provide a pre-paid “Herd Health Program” (HHP) which was a one-year prevention program. Smallholder Zambian livestock producers traditionally did not understand the importance of preventative care, and government veterinarians

traditionally tasked with livestock health care are thin on the ground. This model proved to have low uptake rates by smallholder farmers, and a “one-off “provision of veterinary services took its place.⁸

The private livestock service businesses have been well adopted by smallholder livestock farmers in the intervention zones where PROFIT has facilitated the development of this service, with significant impact on reduction of livestock morbidity and mortality. As of January 2011, over 30,000 cattle owned by smallholder farmers were receiving regular private veterinarian care, assisted by over 200 community livestock workers. The latter provide disease diagnostic services and serve to link veterinarians (both public and private) with smallholder farmers when their cattle need to be treated. They also help to organize the mobile spraying units which are used to keep ticks (and therefore tick-borne diseases) under control. These mobile units utilize much less chemical than conventional dipping tanks (and are easier to monitor against chemical misappropriation), making them a more affordable option for smallholder farmers. PROFIT is also intervening with respect to beef markets for smallholder farmers, which are poorly organized and face many constraints (discussed in Section 4.0 below, as well as in the PROFIT August 2010 Impact Assessment Report).

In September 2010, PROFIT merged its dairy component with that for beef, with dairy cattle being incorporated into the programs for health care reasons. Over the three years that the project worked in dairy, smallholder contributions to supplying commercial milk processors increased by over 300%, and five of Zambia’s major processors are now investing in smallholder milk supply aggregation and transport, as well as providing extension services. PROFIT encouraged smallholder dairy farmers to develop ways of providing supplementary feed for their cattle during the dry season (e.g. making silage during the rainy season and growing more nutritious fodder crops). This has resulted in a daily income stream for owners of dairy cattle (many being women). This also provides greater incentive for smallholders to invest in dairy, including improved animal health care in conjunction with assistance from community livestock workers and private vets. In 2010, there was an estimated increase in smallholder dairy productivity and 26% increase in gross margins.

For both beef and dairy cattle, the results of PROFIT’s interventions have brought about a 50% increase in calving rates, and significant decreases in mortality rates in herds which have regular access to veterinary services (number of cattle deaths has dropped by 81% for PROFIT-assisted farmers vs. 29% for farmers not participating directly in project livestock interventions). Smallholder farmers now recognize the value of their livestock assets, and purchase over \$1 million per year in veterinary products and services.

PROFIT’s assistance to Zambia’s livestock industry will be continued over the remainder of the project, including developing a strategy to improve supply of beef from the smallholder sector and facilitating a school milk feeding program in conjunction with partners.

The Agricultural Commodities Industry

One of PROFIT’s significant achievements on the market place is the establishment of Zambia’s first commodity exchange. Despite the problems faced by the maize trade in particular (see below), the commodity exchange, ZAMACE, will, if given the opportunity, serve as a platform for transparent and efficient trade of agricultural commodities. Ultimate benefits will go to smallholder farmers. ZACA, which was the predecessor

⁸ A detailed description of the background to the HHP and its successor, the one-off provision of services as well as the impact on livestock health is given in the PROFIT Impact Assessment Report, August 2010.

to ZAMACE, lacked a transparent pricing mechanism. With technical and financial assistance from PROFIT, ZAMACE set up a transparent pricing mechanism, and convinced its shareholders of the importance of working with smallholder farmers.

Working with District Level Warehouse Managers, who in turn are linked to 18 community level aggregation points, smallholder farmers are being trained in commodity (especially maize) grades and standards, which are the benchmarks by which the agricultural industry does business. Aggregation point managers are trained in grading and cleaning maize, and given sieves, scales and other tools to help smallholder farmers to grade package and store their own produce. This permits giving out a higher price for a clean, higher standard product. At one aggregation center visited in the Southern Province, farmers expressed their satisfaction with the system, saying that previously they were at the mercy of “briefcase traders” who set the price and applied no quality standards. With access to the grading, cleaning and storage facilities, the farmers now have a better market for their maize than that offered by traders. Additionally, at the aggregation facility visited, the farmers expressed their satisfaction with the arrangement whereby they are provided receipts once their produce is deposited, which they can exchange for money from a microfinance institution, SILIM (50% of the estimated value of the produce at time of redemption of receipts, with the balance paid when ZAMACE sells the product). This interest stimulated in warehouse receipt type of financing arrangements could eventually be extended to benefit a larger number of Zambia’s smallholder farmers.

PROFIT succeeded in getting the World Food Program P4P to use the exchange for its maize procurement, a model which was then adopted by WFP P4P in Malawi and Ethiopia. PROFIT also managed to help bring the Food Reserve Agency (FRA) on the ZAMACE Board, and to increase the number of share-holders from the six founding members to 15.

The ultimate success of ZAMACE depends upon many factors, some of which are beyond the influence of PROFIT (see section 4.0 below); the project hopes that assisting the creation of a legal framework for regulation of ZAMACE by the Securities and Exchange Commission will strengthen the organization, and that by assisting ZAMACE to improve its services to the smallholder sector over the 2011 harvest season will bring about a greater use of aggregation points and District Level Warehouses by smallholders.

The Financial Industry

PROFIT has worked with Zambian financial institutions towards the goal of making finance more readily accessible by smallholder farmers, most of whom are considered “unbankable” due to their lack of collateral in the form of title deeds or other hard assets. In conjunction with the Zambia National Farmers’ Union (ZNFU), the project compiled a report in 2009 which has helped to stimulate an increased willingness by commercial banks to invest in agriculture in general and small-scale agriculture in particular. In conjunction with the cotton company Dunavant, PROFIT developed a pilot leasing program for cotton farmers in the Eastern Province to lease-purchase tractors, on the condition that a stipulated percentage of the tractor usage was to be dedicated to land preparation of other smallholder farmers’ fields. Some farmers who have benefitted from this service who were met in the Eastern Province confirmed their satisfaction with the arrangement, stating that having access to this service significantly reduced the demands on their labor as well as improving yields.

From both technical and financial assistance provided by PROFIT, a mobile payment platform has been developed by a private sector firm which reduces risks (theft, losses due to corrupt “leakages” in distribution systems) in the distribution of payments and vouchers for subsidy delivery programs. This Mobile Transaction platform represents a payments system through which business-to-person, person-to-person transactions and basic financial services can flow, as well as voucher programs. A network of field agents

employed by the firm has also created employment opportunities for young college graduates in rural parts of Zambia, and the use of the mobile transaction for provision of food “ration baskets” by the WFP has greatly reduced the burden for this distribution service previously in the hands of local health clinics. PROFIT was instrumental in convincing not just the WFP but also the FAO’s agricultural input subsidy program to adopt the e-voucher system, improving both efficiency of operations and reducing costs. Beneficiaries no longer need to travel long distances to receive goods.

One other agricultural financial tool developed with PROFIT assistance is the establishment of the African Carbon Credit Exchange (ACCE) in Zambia. Provision of both financial (grant) and technical assistance to ACCE in early 2010 has stimulated the development of the African carbon finance market through a transparent trading platform and financial intermediaries. This initiative will benefit rural Zambians through two ACCE-related activities: (1) a commercial cook stove project which reduces the amount of fuel wood needed for cooking by 50%. This reduced deforestation and time spent gathering fuel-wood. This program was launched in the Eastern Province in conjunction with a UK based company, ICECAP. (2) An agro-forestry project involving planting of a tree species which contributes both to soil fertility and an improved micro-climate for producing crops. Both initiatives are being conducted in conjunction with the cotton company, Dunavant, working with their networks of smallholder cotton producers lead by Distributors/Agents and YIELD Program managers in the Eastern Province. However ACCE is planning on “going beyond the Dunavant mantle” in order to reach a larger number of farmers and households. Farmers planting the trees will eventually benefit by revenue generated by sale of carbon credits; however there is a time lag of approximately 10 years between the time of tree planting and the trees reaching a size where significant carbon sequestering begins. PROFIT and ACCE are hoping to find donor investment in the scheme so as to ensure the initiative moves forward in the intervening 10 year period. For the fuel-efficient wood stoves, ICECAP and ACCE formed a local company named “Three Rocks” to which the households will sell their carbon credits. The use of the wood stoves has to be monitored by an independent auditor who will report back to the United Nations Environment Program to ensure the carbon credits are indeed being accrued as they should be. A trust formed by ICECAP will return some of the revenue generated from the scheme back to the communities involved.

Partnerships

PROFIT has formed an alliance of actors who are involved in implementation of agricultural development in Zambia. Members include the ZNFU (which has over 350,000 members), the Conservation Farming Unit which is providing technical training to around 140,000 farmers, the International Finance Corporation (IFC) which has played a key role in developing the tractor leasing and other financial products for farmers and the WFP. The WFP, as mentioned above, is using ZAMACE for its procurement of food, thus lending greater credibility to and helping in the development of the exchange.

PROFIT both alone and in conjunction with its partners has developed linkages with the GRZ, and has been involved in advocating for policy changes to improve agricultural competitiveness, discussed in Sections 3.4 and 7.0 below.

IMPROVED ECONOMIC AND FOOD SECURITY FOR SMALLHOLDER FARMERS AND WOMEN

With its model of having private sector input and service providers as “direct clients” of the PROFIT project, who are self-selected through commercial decision making processes, PROFIT did not, to a large extent, pre-determine geographical and social targets. The project found it difficult to “*overlay social mandates (e.g. health) as market system actors cannot take on the functions of other actors from public goods systems*” (PROFIT

presentation, January 2011). The project, none-the-less, did gather data as seen in the Indicators/Results Table (cf. attachment 1) which could be used to better gauge project impact on smallholder farmers and women.

By the end of 2010, over 180,000 smallholder farming households were using improved inputs and services for crop and livestock production as a result of PROFIT's agent network linked to agricultural retail firms. The DAI August 2010 impact evaluation estimated that farmers directly linked to agents had an increase in maize production of 82% (versus 68% for other farmers) and increased average amount of maize sales in monetary returns (161% for active farmers compared to 56% for others). The same report also calculated that household expenditures (education, food, housing, etc.), used as a proxy for income, rose to a larger extent for PROFIT- active household compared to inactive households (103.4% versus 89.2%), indicating an impact on poverty reduction and food security. Interviews conducted in the Southern and Eastern Provinces during the evaluation revealed most farmers cited that PROFIT's interventions resulted in significant increases in yield of their maize and cotton crops (the latter in Eastern Province only) and recited how their increased harvests over the past three years had enabled them to build improved houses, purchase more livestock, purchase bicycles (and in some cases motor vehicles and tractors).

Farmers explained how having the community based agents procure inputs for them saved money and time spent on traveling to shops in distant towns. They also cited the advisory services provided by the agents as having great benefits: from the agents' field demonstrations, they were introduced to better crop varieties and improved production techniques. Moreover, the agents were able to inform the private sector firms which varieties and other inputs/services worked best under different conditions. Farmers benefiting from the provision of herbicide/ insecticide spray and tillage service providers cited how their yields had increased, labor costs (and time) reduced, often enabling them to increase the area planted to crops, thereby further enhancing productivity.

In the livestock sector, over 7,800 households were served by 93 agents representing one of ten private firms providing health care products and services. Linking smallholder dairy farmers with milk processors also had a significant positive impact on household income; a PROFIT internal evaluation found the smallholder dairy producers benefitting from project intervention had gross margin increases of 26% in 2010 (\$636 in 2009/2010 versus \$505 per dairy cow in 2008/2009). Field interviews found most livestock farmers claimed reduced animal mortality as a result of the improved access to and aware of animal health care (including supplementary feeding in the dry season). One women's dairy group in the Southern Province complained that the milk processor who collected their milk "*only comes in the morning, which means we have nothing to do with our afternoon milking except feed it to our families*" (they then went on to describe how they wanted a milk cooling tank so they could sell both morning and afternoon milk). The implication of this is improved nutritional benefits to their families from the increased milk consumed – although the women would have preferred to earn even more money to cover school fees and other expenses. Where farmers noted an increase in the size of their beef cattle herds as a result of improved animal health care, a few in the Southern Province expressed a greater willingness to sell some of their cattle, while most in the Eastern Province expressed reluctance to let go of any of their herd. Whether they will be able to support the larger herd sizes in terms of feed and health care was uncertain.

Additional economic benefits to the communities receiving PROFIT's intervention accrued from the income generated by the "in-community" agent from their commission on sales and services. The agents are comprised of far more men than women, however. Women lack the mobility needed to travel to collect inputs from the firms, women were discouraged from undertaking spray service provision due to the risk of exposing pregnant and lactating women to hazardous chemicals. Men tend to be the owners of ox and

tractors used for tillage provision services, etc. In the Eastern Province, provision of maize sellers (sponsored by PROFIT in collaboration with Dunavant and the WFP) had provided the recipient members of the community with a new means of generating income. The community members who use this service report saving so much time from traditional manual shelling that they can use this time for other household activities.

Similarly, employment of youth in rural areas to become agents for Mobile Transactions of Zambia, Ltd., has brought a new inflow of income to communities. Use of e-transactions saves rural people considerable time, as well as transport costs. One group of farmers interviewed in Southern Province stated how much they gained from being able to pay for their children's school fees using e-transfers, as opposed to the traditional means of traveling long distances with cash.

Nearly all farmers interviewed in Southern and Eastern Provinces cited PROFIT-related training in business skills (record keeping, calculation of profits and losses) to have contributed to the economic stability of their households. Men, however, far outnumbered women in receiving Business Development Services, and the same case holds for the numbers of farmers reached with extension/outreach activities. A detailed discussion of this and other gender issues together with recommended remedial approaches is given in the DAI August 2010 Impact Assessment Report.

SUSTAINABILITY

As noted in the DAI August 2010 Impact Assessment Report, *“PROFIT sees itself as a facilitator of market system change – that is an agent that stimulates change but does not become part of it”*. Using minimal interventions and clear exit strategies, PROFIT's approach increases the likelihood of sustainable impact. The development of the agents network linked with private firms is indeed self-sustaining as it is a win-win situation for both input and service providers and farmers. Farmers benefit from having access to new inputs/technologies as well as advisory services. The firms gain from not just sales but receiving information they can use to revise what they supply so as to meet the farmers' needs due to information feedback from the agents. The agents, in turn, have gained important knowledge and are now even more respected and recognized members of their communities. Those who have become “super-agents” are trusted by the firms, to the extent that some plan to invest in mobile-container supply units, which can be set up closer to the communities to improve farmers' exposure to new products, as well as make the products even more easily accessible. Some firms have indicated that they are now willing to stock the mobile units of their ‘super- agents’ with some seed provided to the agents on credit, in addition to the current system of pre-paid seed orders. This will help to ensure farmers have the seed of their choice in time for planting.

One area where the agent-network/firm arrangement may encounter problems with respect to sustainability, however, is the mapping of new geographical zones and identification of new products and services. More than one firm interviewed during the evaluation expressed concerns that the growth in reaching new smallholder farmers and with new agents and products would cease with the ending of the PROFIT project. A manager of the branch of a major seed company in the Southern Province said that *“the people at the top”* (of his South African based company) didn't understand the importance of investing funds into mapping out new areas and identifying agents located in same, as well as providing the promotional materials he found to be successful in building agent loyalty and performance. Similarly, the managing director of an agricultural service provision company affiliated with a large multinational firm said *“we who are down here on the ground lack the helicopter view PROFIT provided which is needed to identify new potential areas and products”*. Several of the agents, especially the newer recruits, expressed concern that when PROFIT ends, their source of information on new techniques and technologies would dry up, as they felt the firms didn't realize the importance of

continually accessing new information and making it available to the smallholder farmers, a service which the agents believe PROFIT largely provided. This was especially the case in the Eastern Province where many of the agents interviewed had not been informed of PROFIT's schedule closure in September 2011. While the agent-network will in all likelihood live on beyond the life of PROFIT, the extent to which it will continue to grow appears to be uncertain, particularly in the zones where the networks are young.

PROFIT's assistance in using CropLife to train and certify spray service providers in safe use of pesticides may not have a lasting impact either, unless CropLife is provided the means to conduct unannounced "spot checks" and withdraw an agent's certification where s/he is found to be practicing unsafe use of products (e.g. not wearing the full outfit of protective clothing, preventing members of the community from wandering into spraying operations). Some instances of unsafe product use were observed during the evaluation, although the chemicals involved are listed as only "slightly hazardous" by the World Health Organization. CropLife apparently lacks the mobility it needs to get out to rural areas and conduct such spot checks on a frequent basis, which would give the certification scheme greater clout and credibility.

As observed in the DAI August 2010 Impact Assessment Report, most livestock farmers made aware of the importance of preventative measures to ensure animal health, and linked up with the use of private vet services (in conjunction with a community livestock worker) seem to understand that in so doing, the number of cattle deaths has been reduced, and herd size increased. This PROFIT intervention will most likely have a lasting impact where it has been launched. As discussed in Section 7.0 below, there is now "buy in" on the part of the GRZ, and the Ministry of Livestock is collaborating with PROFIT for the establishment of livestock service centers at the community level.

The mobile "spray race" unit developed with PROFIT assistance to replace the more costly and harder to manage traditional dip tank is definitely a sustainable innovation; a private company has commenced manufacturing the units for sale, and private vets are purchasing the units which they use to treat smallholder's livestock, with the assistance of the community livestock workers.⁹

The linkage of smallholder dairy producers with Zambia's commercial milk processors is in all likelihood going to continue. One of the processors interviewed during this evaluation explained how the dairy cooperative PROFIT helped to link him to has, as a result, doubled in size. The value of the assistance provided by the PROFIT-sponsored extension agents is appreciated to the extent that all companies have assumed full responsibility for continuing to employ the agents. Processors also mentioned that the alliance of dairy processors started with PROFIT's assistance is of great value, and will keep going on its own momentum.

The development of Mobile Transactions of Zambia Ltd. (MTZL), which was brought about with both technical and financial assistance from PROFIT, shows all signs of having taken off on its own, becoming an efficient means of transferring money as well as being used for "e-voucher redemption" by voucher-recipients of the WFP, FAO and CFU. MTZL will not only live beyond the life of PROFIT but continue to grow and expand its operations.

⁹ One public veterinarian interviewed during the evaluation mentioned that the traditional dipping tanks not only use more chemical due to the nature of their design (thus increasing the cost of the service) but there was little or no control of "night-time visitors" who remove significant quantities of the chemical from the tank and replace same with water. For the 'spray race', the animals enter a sort of covered tunnel and 'race' through jets of spray.

PROFIT's work with Dunavant in the Eastern Province which has brought about the tractor leasing program and provision of maize shellers (activities conducted in conjunction with the WFP and IFC), in addition to tillage and spray service providers will most likely continue beyond the life of the project. The fact that a commercial bank (Standard Chartered) won the tender put out by Dunavant for the purchase of their portfolio of tractor leases will free up the capital provided by Dunavant and the WFP to buy more tractors for expansion of the leasing program.

ACCE, working with Dunavant in the Eastern Province, stated that they were not quite ready to “*weaned off of PROFIT assistance*” and would need another 12-18 months of support in the form of a consultant whom PROFIT has been sponsoring, as well as the assistance of a Zambian-based staff member of the Green Knowledge Institute who has been working closely with the ACCE program. Given the global concern over climate change, however, and the interest on the part of many donors to support such initiatives, ACCE is likely to find the support it needs after PROFIT's closure to eventually become self-sustaining.

The commodity exchange, ZAMACE, is similarly not yet ready to stand on its own; despite the enormous amount of technical and financial support provided by PROFIT, the exchange is hindered by the market distortion caused by the FRA (discussed in Section 4.0 below) and the lack of significant “buy in” by the commercial farming sector. Many people involved in the exchange in one way or another who were interviewed during this evaluation expressed their strong support for the successful development of the exchange, and the fact that the WFP P4P is using the ZAMACE model in other countries indicates its potential value, should support from another source pick up where PROFIT will leave off.

Similarly, the viability of the use of warehouse-receipt type finance schemes by smallholder farmers is hindered by government intervention in the maize output market. PROFIT has never itself launched warehouse receipts, but one NGO (CELIM) in the Southern Province chose to finance them in a very small way. PROFIT's intentions were always to establish warehouse receipts (WHR) as a tradable instrument rather than a financial instrument at least for the short/medium term. While one participating group of smallholder maize farmer met at an aggregation center in Southern Province espoused enthusiasm for this scheme, the private district-level warehouse operator who was interviewed claimed he had made no money on the scheme last year and had serious doubts about what might happen this year. He is determined, however, to continue to work with the aggregation centers, as he believes the private sector **must** play a more significant role in the grain trade, and that warehouse receipt schemes could work for smallholders, if commercial banks become involved and “*the GRZ invests in infrastructure (roads), rather than the FRA*”.

GOVERNMENT OF THE REPUBLIC OF ZAMBIA AND POLICY INITIATIVES

PROFIT provided considerable assistance to the Government of the Republic of Zambia (GRZ) to improve the regulatory framework for smallholder agriculture in Zambia, at times in collaboration with other USAID/EG partners, FSRP and ACF (see Annexes 8 and 9). In 2010, PROFIT assisted the newly formed Ministry of Livestock and Fisheries to prepare and submit three Acts related to the livestock sector: (1) the Animal Health Act, which provides guidelines for disease control, including greater freedom for private vets to service smallholder livestock; (2) the Branding and Marketing Act, to improve branding practices as well as the output market for beef sold by smallholder farmers; and, (3) the Vet and Para-vet Act, which removes the long-standing requirement for a pharmacist to be present whenever vets sell animal pharmaceutical products, and to allow para-vets to perform a greater number of tasks related to livestock care.

PROFIT played a key role, together with ACF, on various issues related to the role of the GRZ in commodity markets, investigating possible paths towards liberalization. It is as a result of this process that the FRA has

joined the board of ZAMACE. Additionally, PROFIT is engaging a consultant to draft the legal framework for ZAMACE's regulation by the Securities and Exchange Commission.

PROFIT and FSRP have collaborated to resolve issues plaguing Zambia cotton sector (see Annex 8) and recently began working towards piloting reform of the high risk credit-based out-grower scheme.

ENVIRONMENTAL IMPACT

Through its spray service providers, PROFIT introduced new pesticide application techniques which reduce the amount of chemical used. The spray race and spray service provider application of acaride (mentioned above) use significantly less product than traditional dip tanks. The introduction of Ultra Low Volume (ULV) sprayers to pesticide sprayers for cotton – a crop which is notorious for the high levels of products released into the environment for the control of pests – has resulted in much lower amounts of chemicals being applied to cotton crops (which also reduces costs).

PROFIT's assistance to the Forest Fruits Honey Company brought about improved construction of traditional bee hives, using techniques which resulted in lower rates of deforestation. And provision of both technical and financial assistance to both Forest Fruits and Northwest Bee Producers Association for the introduction of top-bar hives, which consume for less wood over the long run (as they are re-usable) similarly contributed to protecting the forests of Northwestern Province.

The critical role played by PROFIT in launching the ACCE (discussed above) could have important positive impacts on the environment, through both promotion of planting of valuable agro-forestry trees (which improve the agro-ecological environment for crops as well as sequestering carbon) and the introduction and dissemination of fuel-efficient wood stoves.

CHALLENGES FACED IN PROGRAM IMPLEMENTATION

As noted in both the DAI August 2010 evaluation of PROFIT and the PROFIT team's presentation to the evaluation team in January 2011, the project faced (and in many cases still faces) many constraints in its attempts to achieve positive and long lasting impact. To begin with, the nature of Zambia's smallholder farming sector made it a challenge to both bring down transaction costs and convince private firms of the benefits of supplying this traditionally ignored sector. The project tackled the problem by aggregating smallholder demand and supply in an efficient, lower-risk, scalable and commercial viable manner that benefits both sides of the transaction. PROFIT definitely succeeded in building linkages with private agricultural supply and service provision firms in many zones of intervention. These would include improved seed (especially maize), new crop production techniques and technologies and improved, lower cost livestock health care, despite facing retail firms which are slow to innovate and invest in the smallholder sector, and farmers' reluctance to accept and invest in new technologies. Where the project encountered a major constraint insofar as agricultural inputs are concerned is with the GRZ's fertilizer subsidy program (now called the Farm Input Support Program). Farmers' reliance on subsidized fertilizer has stifled the development of a healthy and competitive private sector-led fertilizer supply industry in Zambia. Work done by the USAID FSRP project has attempted to address this issue (see Annex 8), however there is still a long way to go, and PROFIT will have ceased operations by the time – and if – full reform of the fertilizer supply in Zambia has taken place.

PROFIT faced several challenges with respect to its interventions in the smallholder livestock sector. The customary attitude towards cattle made it difficult to persuade farmers to invest in health care. As noted above, the project did in the end succeed in convincing farmers with whom it worked directly that livestock

health care was worth the cost. The small number of vets to be found in the rural areas of Zambia, with few willing and able to adopt a business model, was at least partially addressed by training community livestock workers and supporting young private vets (along with those public vets willing to participate) to provide cost-effective livestock health care services. The above mentioned legislation (Animal Health and Vet/Para-vet) now submitted to the Ministry of Justice, if approved, will additionally alleviate the vet-shortage problem. With respect to improving sales of beef cattle by smallholders, as is discussed in the DAI August 2010 Impact Assessment Report, PROFIT was less successful due to the traditional view that “cattle are sold only when special needs arise – not as a regular, consistent business matter” together with the dysfunctional output market. As indicated above, farmers may find they have to sell more cattle as herd sizes grow (due to improved health care) and farmers find they do not have the means to support the larger herds. The current shortage of beef in relation to a growing demand in Zambia may also prompt smallholder farmers to change their traditional ways of thinking about cattle.

Government intervention in the commodity output market, especially for maize is unpredictable. GRZ interventions for other grains, such as soybeans, come in the form of ad hoc export bans. This results in an adversarial trading environment and discourages private sector participation in the smallholder markets. Those who do not have access to a subsidized market are disadvantaged. Development of market functions such as storage services, speculation and price risk mitigation is inhibited, given the high price risk. PROFIT is trying to overcome these obstacles so as to ensure the financial stability of ZAMACE. The above mentioned legal framework under development could lead to significant changes. This would assist ZAMACE to improve its services to the smallholder sector through the aggregation centers and focus on increased commercial revenue and realignment of the exchange’s product offering to the market. However, given that this is an election year in Zambia, the government may use its powers to adversely impact the private sector grain market (especially maize) even further.

As is the situation in many countries in Africa, projects trying to bring about changes in finance encounter much resistance. Financial institutions traditionally have a very poor understanding of agriculture which makes them both reluctant to give out loans to agriculture as well as requiring terms and conditions for repayment which are difficult for farmers to meet. PROFIT at least partially addressed this constraint by publishing a report which helps financial institutions to better understand agriculture and become more interested in making investments in agriculture. Innovative products such as the tractor leasing program are being taken up by commercial banks, and the mobile payment platform developed with assistance from PROFIT (discussed above) has made it easier for the “unbanked” to make financial transactions, as well as facilitating subsidy delivery programs through the use of e-vouchers.

Many challenges remain to be overcome: unpredictable government intervention in markets creates a high risk financing environment for agriculture, although PROFIT is, as mentioned above, investigating possible means towards a more liberal market where the government intervenes less. Another deterrent to financial investment are the low levels of financial literacy and management on the part of smallholder farmers. PROFIT in conjunction with the ZNFU is attempting to improve farmers’ mastery of finance, but the program is not achieving progress as quickly as it had hoped. To address both the low level of security characterizing the smallholder farming sector and its limited access to traditional credit products, PROFIT is working to assess the needs of the micro-finance industry with respect to its expansion into rural markets with appropriate products, and working with other stakeholders to increase the accessibility of insurance on the part of rural markets and smallholders.

Highly Successful Strategies

- Use of the agent network to link private agricultural inputs and service firms to smallholder farmers, and use of the feedback provided by agents to improve product and services made available to smallholders. The smallholder market (as suppliers and consumers) has been demonstrated to be a commercial viable proposition, PROFIT has demonstrated to the government that the private sector is capable of providing services to smallholders and tens of thousands of smallholders are upgrading their farming practices, with an equal number of hectares of land coming under modern farm management.
- Being responsive to smallholders specific needs and situations: Switching from pre-paid HHP to use of the combination of: spray service providers, community livestock workers private vets and animal health supply firms to bring about adoption by smallholders of improved animal health care, with resulting reductions in animal mortality and morbidity.
- Maximizing use of equipment and training provided to service providers by encouraging them to find novel uses of “keeping busy” and therefore generating income the year around, as well as providing services to neighbors (tractors used for haulage, sprayers to apply acaricides to cattle).
- Linking smallholder dairy farmers to commercial milk processors and helping both to make improvement in volumes as well product quality; assisting processors to branch into new products (thereby increasing their demand for milk).
- Helping Dunavant to improve producer reliability (and therefore volumes of cotton sold to the company) by shifting away from a “stick” to a “carrot” approach: instead of using credit (in form of inputs) to try to force farmers into selling to factory on a repayment basis, using incentives and building up relationships with farmers to increase their loyalty to the company.
- Development of new financial products such as tractor leasing which has been taken on by at least one commercial bank, freeing up company (Dunavant) and institution (WFP) funds for further purchase of tractors which are in turn leased-sold to smallholder farmers to become specialized in tillage and other services provided to communities.
- Development of mobile transactions to facilitate transfer of funds and vouchers to the “unbankable”, as well as increasing the efficiency of transactions for all actors.
- Development of alternative means for income generation in rural areas through the ACCE; initiative also will result in important positive environmental impacts.

Least Successful Strategies

- Increased sales of smallholder beef cattle to lead firms, processors and brokers: sales remained low, and most were to local traders or traditional sales outlets - very low uptake of practice as cultural obstacles not yet overcome (how smallholder farmers view their beef cows).
- Convincing private sector firms to invest in integration of HIV/AIDS in the workplace (funds ran out before activity could be fully implemented); using community based agents to spread the “A and B” message (first of all, the message just does not fit into the culture; secondly, the agents had no incentive to travel long distances to “spread messages” which didn’t bring about income generation).
- Possibly not very successful (outcome will not be known for some time yet): Linking smallholder maize producers to ZAMACE through aggregation centers and district warehouses, establishment of a profitable, self-sustaining commodity exchange.

Links to the Government of the Republic of Zambia

As mentioned under Section 3.4 above, PROFIT worked with ZAMACE, using advocacy and negotiations, to put the modalities in place for the GRZ, through the FRA, to use the exchange for some of its transactions, making the agency a member of the ZAMACE board. PROFIT is also engaging a consultant to draft the legal framework for ZAMACE's regulation by the Securities and Exchange Commission.

Also mentioned above is the assistance PROFIT has become a key partner to the new Ministry of Livestock and Fisheries, assisting with the preparation and submission of three Acts on their behalf to improve the enabling environment in the animal health and marketing sectors. PROFIT also is collaborating with the Ministry for the development and establishment of pilot Livestock Service Centers, which have been given a high priority by the Ministry; one of these centers (still under construction) was seen during the evaluation, and the participating community, which had provided much of the construction work, expressed a great deal of hope and enthusiasm for the establishment of the center which they believe will make a significant contribution to animal health care.

Finally, PROFIT, in conjunction with MTZL, is gaining acceptance by the GRZ in the use of e-vouchers as a more efficient means for delivery of subsidized agricultural inputs.

CONCLUSIONS, ACCOMPLISHMENTS, LESSONS LEARNED & BEST PRACTICES

An excellent summary of “Lessons Learned” from the PROFIT approach is given in the DAI August 2010 Impact Assessment Report. From the numerous interviews conducted with project beneficiaries and partners, in addition to review of project documentation, the following conclusions can be drawn.

Inputs for Smallholder Farmers: PROFIT experimented with various methods in which to bring the inputs needed by smallholder farmers for their principal commodities by linking them with private sector input supply services. About three years ago (2007), the program began to focus such activities by helping interested input and service provision firms in mapping out the target smallholder communities within Southern, Central and parts of Eastern Provinces, in particular. PROFIT personnel then assisted further by helping to identify (and train) individuals within these communities who could be trained to become independent input and/or service providers to their communities, called ‘agents’. This model, based on the provision of knowledge-based solutions to smallholder productivity issues as well as reducing transaction costs by efficient organization of farmers, is probably one of PROFIT's greatest contributions to Zambia. This model is also certainly something that the agricultural inputs and services firms that have worked with PROFIT over these years will continue to use and expand in the future years. The model is applicable for any input and/or service supply to any value chain commodity – including dairy and beef - with initial focus on the commercial firm –by either trying to sell inputs and/or services to farmers or by purchase their produce from farmers.

1. **Agent Input & Service Providers:** Approximately 2,500 agents are currently working with 15 firms to supply over 187,000 smallholder households, who were previously not considered a viable market by the majority of the commercial input and service providers. PROFIT's approach of linking firms with independent agents (not employees), who receive a commission for their local sales has proven to be very effective – essentially creating small local enterprises. The only significant weakness perhaps is that these agents must first receive the cash from their small-holder clients in great enough volume (no credit is given), before the firms will deliver the inputs – with farmers holding the risk of having put out money without yet having received the inputs. This can at times delay somewhat the availability of these inputs,

resulting in a later planting of maize than might have been desired by a farmer, for instance (which can reduce yields). Because of this reality, the pre-paid mechanism has helped to bring forward the marketing season for inputs from October/November to June/July of each season – thereby giving farmers time to prepare for the next planting season. Should this become an established new system for input planning and purchases, this will certainly improve the input supply system for farmers. PROFIT notes that ‘investment and brand risk reduces as retailers now control the cash and sales tracking process (through their agents). On the other hand, the operating risk rises for farmers as their opportunity costs are high since they have paid for but not (yet) received (their inputs)’.¹⁰

For those agents who have developed a strong and trusted relationship with their firm, PROFIT has just launched the “mobile container unit” which will be purchased by willing firms and supplied with a certain amount of seed on credit in addition to the pre-paid seed and other inputs. The success of this innovation has yet to be proven, but if adopted by a significant number of firms could help both to ensure timely availability of agricultural inputs as well as increase sales through even greater exposure of products available at the village level. What is uncertain is the extent to which newly recruited agents will evolve to the stage of establishing strong and trusted relationships with the private sector firms once PROFIT’s support is no longer available.

2. **Smallholder Farmer Productivity Increases:** PROFIT has also clearly demonstrated that, with the right inputs and services available, on time, smallholder farmer productivity can be dramatically increased, leading to the volumes and scales needed by commercial firms to compete in regional and international markets. While not initially directly targeting maize as a commodity, though cultivated by almost all Zambian smallholders, the impact of ever expanding and new high-yielding hybrid maize seeds from private sector firms (which had previously targeted only the commercial farming sector) as well as provision of tillage and spraying services, through the network of agents, combined with improved field management practices (conservation tillage, use of herbicides, spraying for pests), is already having a major impact on household livelihoods across the country.
3. **Business Skills of Agents:** The evaluation team noted that a significant difference in the level of mastery of business skills amongst the agents of different areas worked in. Those who have worked with firms such as Pannar and Zamseed in the Southern province were provided the training and tools to keep careful records of sales. Such data were subsequently being fed into a data base maintained at the firm’s provincial head office. In other areas, such as the Eastern Province, where many of the agents were drawn from Dunavant’s existing pool of “Distributors. The agents did not seem to be keeping very accurate records of their transactions. This was true even though the agents had some training in business management and operating as ‘small businesses’, Here, existing records were spread across a number of different notebooks or pieces of paper. If these small local businesses are to actually grow and prosper, they will need to be given more support in tracking their expenses and income, particularly as some agents have also developed a network of sub-agents under themselves. As reported in PROFIT’s 2010 Annual Report, much of the problem lies with convincing the firm in question of the importance of monitoring

¹⁰ Personal email communication from Reuban Bandad to Richard Swanson, March 7, 2011. Reuben also noted that “as we started this model, certain firms tried the consignment approach and the results were disastrous as some of the agents started establishing their own out-grower scheme by giving the products on credit with the view that the farmer will pay back at harvest the agreed number of bags (of commodity). Others invested the money received from farmers into their own grocery shops, thereby tying up the capital of the Agro-Retailers.”

and recording the sales made through the agents as well as encouraging agents to improve their business skills.

4. **Agents as Entrepreneurs:** PROFIT's encouragement and training of service providing agents (spray service providers and tillage service providers) to "never let their equipment remain idle" spawned the development of numerous new income generating activities for the agents, enabling them to make money throughout the year. At the same time, this opened up provision of much needed services to the community, such as spraying of their livestock to control ticks.
5. **Business Skills of Farmer Producers:** While providing some Business Development Services (BDS) to agents, providing farmer producers with similar skills was entirely lacking. Though this may not have been an objective of the PROFIT project, yet the fact that the smallholder households were the ultimate beneficiaries of the program suggests that at least some effort could have been made, through the agent networks established, to train farm household clients in tracking key input costs and production data. Had this been done, better information would have been available to PROFIT on the impact on the program on smallholder farmers. As it is, most of the information on impact at this level is anecdotal.
6. **Community Agents:** Selection of who gets to become the 'agent' for a community was given to the communities themselves, where people who were considered trustworthy and who were leaders in the community were selected. This orientation appears to be working – particularly since large sums of money need to be pre-gathered for the community before an 'order' can be made by their supply agent for the inputs from the firm represented. Farmers, who are taking an operating risk here, need to be assured that their money is not going to disappear before they get their inputs. The composition of the agents is a mixture of both young and older – usually men. Selection of service providers, particularly the spray service providers appeared pre-disposed towards strong, younger members of the community who had the physical ability to carry and utilize heavy knapsack sprayers from one place to another.
7. **Spray Services (Cattle, Cotton):** The availability of acaride-sprays for killing ticks on cattle, rather than using livestock dips, appears to be a very strong element of PROFIT's successes and impact; not only is much less chemical used with spray applications (reducing costs), but the spray service providers are mobile, and therefore much more accessible to rural farmers. Where this has been going on for some time, there appears to be a significant impact on animal mortality, with herd sizes increasing everywhere that agents have been active. Even in areas where the service was introduced as little as six months ago, the results as reported by beneficiaries were already evident. Where PROFIT needs to boost its efforts is in ensuring that the sprayers practice safe usage of the chemicals, wearing the full kit of protective clothing (including masks and goggles) as well as not allowing the farmers in general and their children in particular to be exposed to the acaride. Although the product used is currently classified by the World Health Organization as "slightly hazardous", there is always a risk associated with exposure to such products which must be avoided.
8. **Social Mandates/HIV/AIDS:** HIV/AIDS work completed by PROFIT through AFYA MZURI was well done. The agent model used by the project did prove to be an effective mechanism to reach out to smallholder farmers. This is because these agents over time have become viewed within their communities as solution providers and are trained as Peer Educators. By taking advantage of the social capital built around the agents' network, they become an effective means of communicating HIV/AIDS awareness messages. With respect to the actual targets set for the project, these were all met. The real challenge faced by the efforts made, however, was that the time and budgeting given for this sub-activity was too limited to achieve the more long term prevention impacts desired.

9. **Smallholder Farmers:** PROFIT has clearly demonstrated to private sector agri-business firms within Zambia (once largely focused towards large scale commercial farmers and operations), and GRZ ministries alike, that smallholder farmers can be commercially organized to respond to market demand for commodities that they are about to produce.

One of the ‘blind-spots’ of the PROFIT program over the past years has been in not looking closely enough at the clients of the agents of the firms supported, most of whom are smallholder farmers. In counting the impact of their program on smallholders, PROFIT simply counted ‘households’ reached by the agent/service provider. No information is available about the actual composition of these households, how large they are, how many children, orphans, or women-headed households were included. The evaluation team’s interviews among a small sample of these smallholders suggest that PROFIT has grossly underestimated the impact of their program on Zambian smallholder farmers. Perhaps more than twice as many people have been impacted than actually reported on, which is significant. Of greater importance, there is no information (other than anecdotal accounts beneficiaries provided when interviewed) about the impact of newly adopted hybrid seeds (versus local open pollinated varieties) and other inputs and services used by these households. Farmers interviewed noted double and triple the yields they used to get, as well as significant reduction in labor demands for weeding and soil preparation. This positive response to increasing productivity is clearly captured in the rapidly expanding volume and sales of the inputs and services concerned. Clearly, greater expansion of the numbers of agents and service providers into all corners of the nation of Zambia could have dramatic impact on the commercial production of a wide number of commodities.

10. **Free-Mapping:** The provision of “free mapping” of new geographical areas in which a firm can market its products and services, as well as identification and training of new agents to sell the products and services, has resulted in firms becoming reluctant to invest their own funds into this activity. This makes the extent to which these firms will expand into new areas beyond the life of PROFIT questionable (not to speak of ‘new’ firms not yet worked with). While staff at the provincial and district level expressed their understanding of the importance of continuing to research new markets and accompanying new agents, they stated that it would be difficult to convince “those at the top” who control how company funds are utilized that they should take on the expense of this activity. The fact that training is provided to these agents on how to best ‘demonstrate’ their products to farmers through demonstration plots undertaken by the agents is an important development – though it did not appear that agents consistently were encouraged to have such plots as a means of increasing their businesses (and the firms sales). Anecdotal evidence suggests that some firms have begun to take the initiative to themselves push into new geographic areas with their own resources to identify and train new agents, using this PROFIT model. The extent to which these firms, or others who have yet to convince their head offices of the importance of expanding into new markets, however, will succeed is uncertain. Then there will be new, as yet unreached Zambian input and service supply firms, which have not yet heard about this ‘agent model’. From this, there would appear to continue to be a real demand for such services as currently provided by PROFIT in the future, not only in areas that PROFIT has been working in, but in other provinces as well.
11. **Financial Market Development:** The Financial Market Development component achieved some landmark successes in the support to development of Mobile Transactions, Tractor Leasing Program, the portfolio of which has been taken over by a commercial bank (Standard Charter), getting the WFP to “buy into” various activities (milk in school feeding program, tractor leasing, maize shellers) and convincing WFP P4P to make its procurement on the commodity exchange (ZAMACE). The latter is impressive in that this model has subsequently been adapted by WFP P4P in other countries (Malawi,

Ethiopia, and soon Zimbabwe). This is the first time this UN organization has changed from its traditional method of procurement. While this model is sound, its long term success depends on Zambian politics (primarily the FRA and to a lesser extent the SEC) and regional pricing.

12. **MUSIKA:** USAID/Zambia earlier in the life of the PROFIT project had encouraged CLUSA in the formation of a local entity, led by some of the PROFIT staff, so that this entity could carry forward the experienced gained through the long-running PROFIT project. A small group of Zambian staff formed a local entity initially called Profit Zambia Ltd., but was later changed to MUSIKA Ltd. More recently, USAID/Zambia seems to have reversed its support to the Zambification of PROFIT activities, and as a result, probably lost an opportunity to institutionalize and hold the institutional memories achieved over the past years by PROFIT. Doing so would have been an institutionally enabling action that would seem to have fit nicely with the SO 5 objectives under IR 5.4. One would have thought that the March – September 2010 extension that was given to CLUSA; or again the further extension made in October 2010 through September 2011 would have provided an opportunity to permit MUSIKA to develop into a local institution in much the same way that ZATAC did. USAID might have had CLUSA sub-contract through something like MUSIKA for program implementation during the past year and through next September 2011, providing a Zambian institution the experience to provide continuing training and leadership to linking private sector input and service firms to agents and to their smallholder clients. The evaluation team believes that such services and training will continue to be needed in the foreseeable future for Zambian firms dealing with smallholder farmers, and that with the termination of the PROFIT project; there will no longer be a local institution capable of carrying forward these innovative ideas.
13. **Rural Women:** One area in which PROFIT was definitely weak was its attempts and ability to bring about positive changes in the lives of rural women. On the one hand, women did benefit from reduced labor required for weeding (traditionally a task assigned to women and children) where herbicide usage was introduced, as they did from the introduction of maize shellers. Many women played an active role in the project's dairy activities, which allowed them to generate much needed income. On the other hand, due to cultural and other restrictions, few women became input supply agents, nor could they become Spray Service Providers due to the reported risk this might present to pregnant and lactating women. The project might have benefitted from engaging a sociologist specialized in gender incorporation into agricultural development, on a short term basis, at the beginning of and perhaps mid-term through the project to help design and evaluate ways to the project could have more of an impact on rural women. PROFIT has plans to target women in its upcoming vegetable seed distribution campaign (to be conducted in conjunction with ZAMSEED). Whether or not this will have an impact on the nutrition of their families as well as women's ability to generate extra income remains to be seen.
14. **Carbon Credit:** PROFIT played a critical role in the launching of the African Carbon Credit Exchange through both TA and financial support. Chairmen Prof. Lloyd Chingambo said "we couldn't have done this without the support of PROFIT" which enabled them to establish the trading platform, the financial vehicle and knowledge structure which were previously lacking. There is significant potential for positive environmental impact through both agro-forestry and fuel-efficient wood stove (noting that deforestation is a huge problem in Eastern Zambia) initiatives which are being conducted in conjunction with Dunavant's YIELD Program Coordinator Distributors in the Eastern Province. There will be additional benefits in alternative source of income generation for Zambian smallholder farmers through eventual sale of carbon credits. ACCE is "not yet ready to be weaned off of assistance", estimating they will need continued technical assistance in the form of a PROFIT consultant, John Faye, as well as the Green

Knowledge Institute coordinator (Karin Sosis) for another 12-18 months. ACCE is counting on MUSIKA to pick up provision of this assistance when PROFIT ends.

15. **Environmental Impact:** In addition to the ACCE, PROFIT brought about positive environmental impact through its work with a Zambian honey company (Forest Fruit) by promoting dissemination of techniques to both preserve the natural woodlands (e.g. new ways of making traditional hives which avoided the previous practices which entailed ring-barking and therefore killing trees, introduction of the use of top-bar hives) and improving efficiency of honey extraction.

SUMMARY RESPONSE TO KEY EVALUATION QUESTIONS

The evaluation team was asked to assess whether or not the PROFIT project had “achieved the goals as originally agreed, and to what extent the project outputs have contributed to the economic growth program assistance objective”. Three specific evaluation questions, as well as a series of sub-questions, were framed by USAID/Zambia in the Scope of Work. These questions and our summary responses are provided in this table below.

Strategic design: was the Results Framework structured effectively to lead to the SO5 objective – results – targets?

Which sub-tasks or individual activities of the project were most/least effective, why?

Assess how the project achieved performance targets.

Was the project successful in promoting smallholder farmers’ welfare, in terms of increased incomes, and increased sales? The question does not apply to ACF and FSRP.

Have project activities supported creation of self-sustaining economic linkages? To what extent has the project prepared similar organizations/projects to take up its current role?

Have private sector partners integrated HIV/AIDS prevention into the core of their businesses? The question applies to PROFIT and ZATAC.

What were the major accomplishments of each project?

Operational: To what extent were the individual projects linked in order to contribute to the overall SO5 objective of increasing private sector competitiveness?

Has the project contributed to the overall economic growth assistance objective of increasing private sector competitiveness?

Which tasks in the program description contributed most/least to the assistance objective?

Do project outputs contribute to the assistance objective?

Has the project delivered value for the money? Has this been a cost effective intervention?

Impact: Were the individual project objectives – results – targets reached as expected?

Strategic Design:

The most effective activity of PROFIT is the establishment of sustainable linkages between private sector input and services supply firms and smallholder farmers. Since the situation is a “win-win” for both the firms and farmers, it is in the interest of both sides to continue this linkage. The agents also have a vested interest in continuing to play their role; they gain not only from the commissions earned on sales, but the status gained in the communities as sources of valuable extension information from training provided by the firms. Linking commercial firms to smallholder farmers is a landmark achievement which radically improved smallholder farmers’ production and productivity (detailed below).

PROFIT’s development of new financial tools was also a highly successful activity; support (technical as well as financial) provided by the project enabled the establishment of a mobile payment network which significantly decreases transaction costs as well as making transactions more accessible to smallholder farmers. The project’s support for the establishment of a leasing scheme for smallholder farmers to procure tractors, which ultimately had “buy-in” from the commercial banking sector, increased the area smallholders can plant to crops, as well as reducing labor requirements. Additional revenue is generated in the community via the services provided by the tractor-beneficiaries both to other farmers and to output markets. The cotton company which initiated the scheme, Dunavant, also benefits in receiving larger volumes of cotton (increased hectares along with provision of delivery services by the tractor-owner).

The ACCE, which came into being thanks to PROFIT’s financial and technical support, is likely to prove to be one of the project’s most successful activities, as evidenced by the fact that branches now exist in several countries in Africa. This is also a “win-win” arrangement: farmers benefit from both the improved micro-climate provided by the agro-forestry trees and reduced fuel-wood use through the more efficient stoves, along with revenues generated from the sale of carbon credits. The exchange generates revenues from carbon credit sales, and buyers (developed countries contributing most to carbon emissions) will benefit from an alternative means to reducing global warming (purchase of credits rather than reduction of emissions via closing/scaling down manufacturing and other industries).

PROFIT was least effective in bringing about private sector integration of HIV/AIDS prevention, as described below. The initiative to link smallholder pineapple producers to a major buyer also failed after a couple of years of project effort, largely as a result of failure of both producers and the buyer to adhere to the agreement, resulting in both dropping out of the scheme. Additionally, the commodity exchange, ZAMACE, established with PROFIT’s financial and technical support may fail due to interference in the maize market from the FRA, along with the commercial farming sector’s apparent lack of strong support for the exchange.

As mentioned above, PROFIT achieved many targets through the establishment of the agent network which supplied inputs and services (along with extension advice) to smallholder farmers, as well as some support for aggregating their produce for output markets. By “mapping” areas where agricultural inputs and services were in demand by smallholder farmers, and helping the firms to sell their products to the farmers through the trained agents, the project put in place a sustainable mechanism to link the private and smallholder sectors.

Additionally, the project developed new financial tools to make financial transactions with smallholders easier to conduct in an efficient and cost effective manner, and made credit available to them, previously impossible because of their being considered as an “unbankable” group.

PROFIT also provided support in the form of technical assistance (working with the ZNFU and providing consultants) to revise various “Acts” related to the agricultural sector so as to improve the environment for doing business in the agriculture sector in general and for smallholder farmers in particular.

Finally, support (both technical and financial) to the development of the novel ACCE, which has since branched out from Zambia to other countries in Sub-Saharan Africa, and to a lesser extent the commodity exchange, ZAMACE. By being willing to first listen to then work with the Zambian businessman behind this scheme, PROFIT enabled the exchange to come into being through a combination of technical support (consultants, who are still working with ACCE), linking the scheme to smallholder farmers already involved in the project’s activities as well as provision of “start-up” funds in the form of a grant.

PROFIT definitely succeeded with respect to improving the well-being of smallholder farmers; by the end of 2010, the project had already achieved the following:

- Input sales by private sector Zambian firms to smallholder farmers increasing each year, with a 57% increase in 2010 alone to \$1,158,951 of sales.
- 57,473 smallholders purchased inputs from their community agents last year, a 10% increase in the number of smallholders from the previous year.
- Maize acreage cultivation is increasing, from an average of 1.57 hectares in 2009 to 2 hectares in 2010. Total hectares in maize increased by 8% for PROFIT supported groups in 2010 to 114,946 hectares under hybrid maize sold by the agent network.
- 182,729 households, representing more than 1 million people, now use improved inputs (i.e. hybrid maize) and services thus increasing the productivity of crops grown (especially maize and cotton) and livestock.
- Over 2,485 community-based agents are now serving benefiting households. The ‘micro-enterprises’ represented by each of these agents are funded through commissions earned on the sale of inputs and services from private sector firms. Each agent is free to sell products/services from more than one firm.

Within the livestock sector, some 7,823 households, representing at least 50,000 people) are being served by 93 agents representing one or more of the ten firms worked with by PROFIT. Inputs/services purchased include control of tick-borne diseases. Livestock mortality reduced, with corresponding herd increases (beef and dairy).

Hybrid maize seed sold through agents increased by 60% in 2010 from 2009 alone, with smallholder farmers spending \$ 824,163 in 2010 for hybrid maize seed. An aggregate of \$97,762,578 for all seed and service inputs sales from the agent network was spent by smallholder farmers over the life of the project.

Herbicides and application services sold by agents to smallholder farmers increased by 26% in 2010 alone, with farmers expenditures of \$4,425,421.

\$185,000 of income earned in commissions by community agents from their sale of input from the firms they are associated with; this income represents a very important inflow of capital into these communities.

PROFIT’s approach of being a “facilitator of market system change – that is an agent that stimulates change but does not become part of it”¹¹ enabled it to maximize leveraging and achieve sustainable impact. PROFIT’s agent network, which is linked to private sector firms, will largely be self-sustaining after the

¹¹ PROFIT Zambia Impact Assessment, August 2010.

project ends¹². The commodity exchange, ZAMACE and the carbon credit exchange, ACCE, both stated they are not yet ready to be weaned off of the technical and financial assistance PROFIT has been providing. The Zambian entity, MUSIKA Zambia Ltd. is well positioned to provide this and other support to initiatives launched by PROFIT should it receive adequate financial support once PROFIT ends.

Private sector partners have not integrated HIV/AIDS prevention into the core of their businesses primarily because PEPFAR funds ran out before activity could be fully implemented.

Finally, the major accomplishments of the PROFIT project were the:

Linking the smallholder farmers to private sector input and service supply firms through the agent network

Development of more cost effective and easily accessed livestock care services and supplies, including incorporating use of private sector vets in rural areas

Development of new financial tools for the agricultural sector (e-payments, provision of tractors on a leasing basis, the ACCE, use of commodity exchange for WFP P4P purchases)

Provision of technical assistance to bring about changes in policies affecting the agricultural sector

Operations:

Linkages between PROFIT and the other SO5 projects were for the most part weak; there was some collaboration with ACF and FSRP both to reform the Fertilizer Support Program, wherein PROFIT and FSRP gave presentations (facilitated by ACE) which showed the negative effects of the direct subsidy program. PROFIT has also worked with ACF to promote liberalization of the commodity markets, and with FSRP on cotton sector issues (cotton Act, establishment of the Cotton Board, etc.). More and stronger linkages could have helped all projects to improve private sector competitiveness, but there was no structure to ensure regular meetings and subsequent development of collaborative activities.

PROFIT has definitely contributed to the overall economic growth assistance objective of increasing private sector competitiveness, as already discussed above.

b. Which tasks in the program description contributed most/least to the assistance objective?

PROFIT tasks which contributed the most to the assistance objective would include the establishment of the agent network linked to private input and service firms which has brought about increased competition between firms for sales of goods and services to this previously un-reached market. This has also boosted the competitiveness of the smallholder farming sector through sustainably increasing their production and productivity. In some cases linkage of these farmers with output markets (dairy, cotton and to a lesser extent maize) increased their ability to participate in commercial markets.

Least contribution: development of a linkage between smallholder pineapple producers and a large scale buyer and attempts to bring smallholder beef farmers into organized, commercial markets (largely due to cultural/traditional views on cattle).

Project outputs definitely contributed to the assistance objectives.

¹² Some of the more recently recruited agents may not be able to “stand on their own feet” by September 2011, however.

Zambia's agricultural input and service supply industry firms are now competing against one another for sales to smallholder farmers in areas of project intervention

Smallholder farmers are now producing larger volumes of better quality agricultural produce, much of which is sold to commercial markets

A commercial bank has taken on a tractor leasing program which will ultimately reach a large number of smallholder farmers and increase the area of land they can cultivate

Legislation developed with PROFIT's assistance, if adopted, will help to reduce the negative impact of GRZ interventions; for example allowing private vets to play a greater role in rural areas, or proposed reform of the Farm Input Support Program, and liberalization of the commodity markets

PROFIT has definitely delivered value for the money. PROFIT's interventions resulted in \$133 million in sales of agricultural commodities from Zambian smallholder farmers and \$75 million in estimated value of food production increases by these same farmers. In 2010 alone there were an estimated 1.5 million people benefitting from PROFIT's linkages to private sector firms and over \$17 million generated in benefits to smallholders via the agent network.

Impact:

According to results reported at the end of 2010, PROFIT exceeded its targets with respect to the following indicators:

- Number of clients engaged in improved and/or value added processing and production (over 400,000 vs. a target of ca. 260,000 in that year alone)
- Area or number of commodities under improved technologies (over 560,000 vs. a target of 450,000 in 2010 alone)
- Number of loans by USAID assisted institutions (110,010 vs. target of 90,015 in 2010)
- Value of loans by USAID assisted institutions (over \$4 million vs. a target of ca. \$2.7 million)
- Number of people trained in natural resource management and conservation (over 120,000 vs. a target of ca. 77,000)

The evaluation team also asked PROFIT to conduct a snap household survey in January 2011 through their agent network to assess income changes and the number of people impacted. Ten districts were included in four provinces, among 358 households. Results showed that actual household size of PROFIT impacted households was 10, almost double the expected household size; 11% of the households were headed by widows, with an average of 4 orphans per household. These households showed an increase in household income from \$935/household in the 2007/2008 season to \$2,239/household by the 2009/2010 season, more than doubling household income in three years. Extrapolated across the entire range of PROFIT households impacted since the beginning of the project, these impacts are impressive indeed.

Areas where PROFIT was less successful, as measured at the end of 2010, were the following:

- Increasing the volume of red meat (from smallholder farmers) "processed", i.e. sold on commercial markets
- Increasing the volume and value of pineapple production by smallholder farmers
- Number of people reach with HIV/AIDS A & B outreach programs

RECOMMENDATIONS

Based on the above conclusions, the following recommendations seem reasonable:

1. **Performance Monitoring Plan:** Consider increasing monitoring of the impact of PROFIT program activities on the smallholder farmers being worked with. The evaluation team believes that the best method to obtain such data would be through the established network of some 2,500 agents. Through these agents, a very simple monitoring system could be put into place whereby each agent would keep track of the household characteristics of those households who purchase inputs or services. Annual increases in production and areas under cultivation for certain select crops might also be attempted, based on some kind of objective measurement.
2. **Baseline End-of-Project Survey:** Consider conducting an end-of-project survey through the above mentioned community agent network among the smallholder farmers benefiting from their services. This would seem feasible since the PROFIT project has until September 2011, and could end up with some more detailed data on impact at the household level.
3. **MUSIKA:** Consider ensuring sustainability of PROFIT methodologies/institutional memory via support to MUSIKA. Such a local entity could take over where PROFIT leaves off and become a self-sustaining Zambian institution, if provided start-up support. Such an entity might be very helpful to USAID/Zambia Feed the Future initiatives in coming years.
4. **New Initiatives:** Build the successes of PROFIT (Firm-Agent Model, Leasing Program) into new USAID Economic Growth project.
5. **Gender Specialist:** Engage a gender specialist in the design and development of work plans for new USAID Economic Growth projects to enhance the likelihood that a greater proportion of direct beneficiaries are women.
6. **ZAMACE & ACCE:** Continue to support ZAMACE and ACCE, which were launched with PROFIT support and need just a bit more assistance to become self-sustaining

ATTACHMENTS

ATTACHMENT IA: PROFIT'S PERFORMANCE MONITORING PLAN INDICATOR TABLES FY2007-FY2011

Attachment 1: PROFIT INDICATORS		BASELINE	FY07		FY08		FY 09		FY 09		FY 10 target	FY 10 Total	FY11 target	LOP UPTO 2011	LOP UPTO 2010	
Trade/Exports related indicators			TARGET	ACTUAL	TARGET	Year Total	Target	Year Total						Target	Achieved	
1	Value of purchases from smallholders of targeted commodities (domestic agricultural trade)	\$46,870,313	\$51,874,620	\$25,737,983	\$54,268,246	\$41,837,131	\$56,971,169	\$56,273,006	\$59,250,000	\$57,161,853	\$66,176,000	\$287,328,925	\$179,809,363			
Production/Sales/Value Addition related indicators																
2	Value of Food and non Food Agricultural production by USAID supported groups	\$5,623,456	\$7,001,270	\$10,362,600	\$7,341,334	\$29,929,001	\$7,698,400	\$25,740,405	\$28,440,000	\$25,126,029	\$1,284,000	\$81,766,004	\$91,147,935			
3	Value of sales of all goods and services	\$5,397,833	\$6,902,600	\$11,736,880	\$7,410,360	\$30,601,720	\$7,820,432	\$27,201,806	\$30,148,400	\$28,323,122	\$33,181,040	\$86,440,722	\$97,782,678			
4	Value of resources derived from sustainable natural resources or conservation initiatives	\$714,978	\$886,123	\$4,564,154	\$951,636	\$436,492	\$1,048,799	\$152,016	\$150,000	\$650,000	\$150,000	\$3,183,567	\$6,801,862			
5	Value of production per unit disaggregated by commodity sector	Cotton (ha)	\$163	\$190	\$347	\$206	\$220	\$267	\$240	\$167	\$260	\$260	\$167			
		Honey (hive)	\$4.44	\$4.90	\$8.03	\$5.14	\$6.40	\$3.70	\$4.20	\$6.00	\$4.80	\$5	\$5	\$5		
		Red meat (animal)	\$116	\$128	\$198.55	\$135	\$141	\$393	\$390	\$346	\$400	\$400	\$346			
		Dairy (animal)					\$855	\$999	\$1,099	\$1,131	\$1,154	\$1,154	\$1,131			
		High Value Crop - Pineapple (ha)	\$785	\$885	\$2,500	\$909	\$954	\$2,170	\$1,500	\$0	\$1,500	\$1,500	dropped	dropped		
6	Value of production per hectare	Cotton	\$192	\$212	\$640.81	\$222	\$233	\$395	\$424	\$200	\$424	\$424	\$200			
		Honey	\$36	\$39	\$8.1	\$41	\$43	\$27	\$30	\$60	\$30	\$30	\$60			
		Red meat	\$94	\$104	\$251.10	\$109	\$114	\$766	\$511	\$346	\$451	\$451	\$346			
		Dairy					\$4,323	\$3,997	\$4,996	\$4,524	\$5,496	\$5,496	\$4,524			
		High Value Crop - Pineapple	\$828	\$892	\$1,260	\$727	\$763	\$2,170	\$1,461	\$0	dropped	dropped	dropped	dropped		
7	Gross Margin per unit	Cotton (ha)	\$10	\$11.03	\$165.70	\$11.58	\$12	\$146	\$161	\$56	\$177	\$177	\$56			
		Honey (hive)	\$2.44	\$2.69	\$3.74	\$2.82	\$2.97	\$3.50	\$4.30	\$4.30	\$4.10	\$4	\$4	\$4		
		Red meat (animal)	\$7.11	\$8.60	\$191.88	\$9.03	\$9	\$343	\$349	\$308	\$369	\$369	\$306			
		Dairy (animal)					\$345	\$505	\$605	\$636	\$660	\$660	\$636			
		High Value Crop - Pineapple (ha)	\$647	\$603	\$1,958.34	\$633	\$665	\$863	dropped	\$0	dropped	dropped	dropped	dropped		
8	Volume of produce processed (mt)	Cotton	19,200	24,192	35,200	25,402	29,896	26,672	44,000	50,847	53,290	55,932	163,045	161,386		
		Honey	347	437	16	469	299	482	286	620	870	676	2,473	1,484		
		Red meat (mt)	0	255	171	510	235	1020	982	1,031	542	1,083	3,899	1,931		
		Milk (Lts)				6,222,000	6,300,000	6,615,000	7,024,221	7,333,333	6,028,480	8,066,667	20,237,000	19,352,701		
		High Value Crop - Pineapple	0	1,000	109	2,000	26	2500	50	dropped	\$0	dropped	0	dropped		
Technologies related indicators																
9	Number of clients engaged in improved and/or value added processing and production disaggregated by technology type	Conservation farming	3,200	25,000	43,000	45,000	32,924	63,000	70,156	77,172	97,050	84,889	84,889	97,050		
		Vet contract/herd management	0	1,000	672	2,000	6,297	2,500	4,021	7,886	22,169	9,463	9,463	22,169		
		Contract production	37,600	66,000	44,836	76,000	254,264	80,000	106,100	90,000	110,000	120,000	120,000	110,000		
		Improved honey production	0	750	0	1,000	7,246	1,250	4,000	5,500	7,000	6,300	6,300	7,000		
		Input products and services	10,000	100,000	21,974	150,000	43,447	200,000	55,975	78,366	62,027	109,711	109,711	62,027		
10	Area or number of commodities under improved technologies	Conservation farming (ha)	3,200	25,000	43,000	45,000	18,122	63,000	106,000	127,200	48,690	162,640	260,200	216,712		
		Vet contract/herd management (hd)	0	10,000	7,780	20,000	19,546	25,000	23,334	32,668	200,388	45,735	87,668	261,048		
		Contract production (ha)	32,000	60,000	43,016	70,000	109,016	76,000	136,050	136,050	120,000	148,656	341,050	408,081		
		Improved honey production (hives/Q.C. trainings)	0	1,500	0	2,000	37,726	2,250	32,000	40,000	70,000	44,000	45,750	139,726		
		Input products and services (ha)	10,000	100,000	21,974	160,000	43,447	200,000	88,056	114,472	62,027	148,813	564,472	216,503		
11	Improved technology adoption rate (%)	Conservation farming	10%	15%	15%	16%	20%	44%	25%	61%	25%	25%	61%			
		Vet contract/herd management	0%	55%	43%	80%	100%	33%	40%	230%	40%	40%	230%			
		Contract production		24%	16%	28%	28%	17%	20%	14%	20%	20%	14%			
		Improved honey production	0%	10%	0%	15%	20%	13%	15%	23%	15%	15%	23%			
		Input products and services	10%	15%	40%	20%	25%	48%	50%	54%	50%	50%	54%			

12	Number of hectares under biodiversity conservation	3,200	25,000	43,000	45,000	18,122	63,000	106,000	90,000	48,590	120,000	120,000	48,590	
13	Number of hectares under managed natural resource production systems	0	366,000	0	366,000	4,166,000	366,000	4,166,000	Dropped	0	Dropped	dropped	dropped	
Finance related indicators														
14	Value of finance/capital accessed by USAID assisted groups (borrowers)	\$1,845,045	\$4,000,000	\$1,612,750	\$6,000,000	\$7,066,870	\$8,000,000	\$3,041,870	\$2,737,683	\$4,118,723	\$3,285,220	24,022,903	15,840,213	
15	Number of loans by USAID assisted institutions disaggregated by gender	Male		42,014		86,812		84,801	72,012	82,510	96,001	168,013	296,237	
		Female		1,028		21,727		21,200	16,003	27,500	24,000	42,003	71,455	
		Total	32,000	60,000	43,042	70,000	108,539	75,000	106,001	90,015	110,010	120,001	415,016	367,692
16	Percentage of the number of loans on schedule for repayment	90%	90%	50%	90%		90%	90%	90%	80%	90%	90%	80%	
17	Value of loans by USAID assisted institutions disaggregated by gender (lenders)?	Male	\$1,845,045	\$4,000,000	\$1,680,336		\$5,653,624		\$2,436,623	\$2,192,961	\$3,089,042	\$2,631,663		
		Female	60	0	\$32,416		\$1,613,348		\$60,247	\$544,722	\$1,029,661	\$663,667		
		Total	\$1,845,045	\$4,000,000	\$1,612,750	\$6,000,000	\$7,066,870	\$8,000,000	\$3,041,870	\$2,737,683	\$4,118,723	\$3,285,220	20,737,683	24,022,903
18	Percentage of the value of the lending portfolio on schedule for repayment	90%	90%	50%	90%		90%	90%	90%	80%	90%	90%	80%	
BDS related indicators														
19	Number of clients/entrepreneurs receiving BDS disaggregated by category e.g smallholder farmers, agribusiness firms.	Small holder												
		Male					167,932		192,818	214,402	186,700	257,283	257,283	186,700
		Female					99,872		69,187	76,932	75,667	92,318	92,318	75,667
		Total	37,600	100,000	118,979	160,000	376,304	200,000	262,005	291,334	262,367	349,601	349,601	262,367
Agribusiness	2	200	234	300	2,032	400	4,067	4,761	3,330	5,714	5,714	3,330		
20	Number of farmers reached with extension/outreach services	Male				167,932		192,818	214,402	186,700	257,283	257,283	186,700	
		Female				99,872		69,187	76,932	75,667	92,318	92,318	75,667	
		Total	37,600	80,000	118,979	80,000	376,304	100,000	262,005	291,334	262,367	349,601	349,601	262,367
21	Number of people reached with HIV/AIDS A & B outreach programmes	Male	0	187,500	0		1,740		12,574	14,219	3,174	14,219	14,219	3,174
		Female					1,988		13,957	15,781	3,145	15,781	15,781	3,145
		Total				225,000	3,728	262,500	26,529	30,000	6,319	30,000	30,000	6,319
Policy related indicators														
22	Number of policy areas worked on or affected if any	0	0	0	0	4	0	6	3	3	3	3	3	
23	Policy progress milestones – Analysis, debate, submission, approval and implementation	0	0	0	0	4	0	6	3	3	3	3	3	
Training related indicators (disaggregate by gender)														
24	Number of people trained in	Agricultural production												
		Male					162,443		188,818	214,339	186,700	257,206	257,206	186,700
		Female					102,665		68,187	76,895	75,667	92,394	92,394	75,667
		Total	32,000	60,000	116,923	80,000	265,108	100,000	259,005	291,334	262,367	349,601	349,601	262,367
		Private sector growth	40,000	70,000	119,160	90,000	376,762	110,000	266,169	297,161	266,897	366,593	366,593	266,897
		Nat. Resource Mgmt & Conservation												
		Male					125,405		28,203	48,132	80,436	52,945	52,945	80,436
Female					69,423		17,016	29,040	41,629	31,944	31,944	41,629		
Total	5,500	6,000	11,000	7,000	194,828	8,000	45,219	77,172	121,965	84,889	84,889	121,965		

ATTACHMENT 1B: PROFIT'S USAID OP INDICATORS

USAID OPERATING PLAN INDICATORS							
2.2 Trade and Investment Capacity	FY 08 Target	FY 08 Year Total	FY 09 Target	FY 09 Year Total	FY10 Target	FY 10 Total	Year FY11 Target
1. Number of events held that provided training on topics related to improving the trade and investment capacity building	2,000	2,041	2,100	2,329	2,492	2,836	2,666
2. Number of Capacity_Building Service Providers receiving USG assistance	300	2,032	378	3,527	4,761	3,330	5,714
3. Number of firms receiving capacity building assistance to export	65,750	152,000	58,800	105,000	90,000	110,000	120,000
4. Number of USG participants USG supported trade and investment capacity building trainings	150,000	376,304	147,000	208,562	160,000	262,367	220,000
Male		167,932	125,000	152,257	116,805	186,700	160,607
Female		99,872	22,000	56,305	43,195	75,667	59,393
5. Total value of exports in targeted sectors in which firms are receiving USG assistance to increase their exports	\$10,000,000	\$44,854,983	\$45,000,000	\$47,112,000	\$40,000,000	\$19,770,834	\$52,000,000
3.2 Financial Services							
1. Number of financial sector professionals trained in international standards	71	76	75	143	150	0	150
Male	60	47	63	119	125	0	125
Female	11	29	12	24	25	0	25
2. Number of USG special funds loans issued this year	0	0	0	0	0	0	0
3. Value of USG special funds loans issued this year	0	0	0	0	0	0	0
5.2 Private Sector Productivity							
1. Number of firms with improved management practices as a result of USG assistance	46,600	110,175	75,000	136,050	100,000	110,000	120,000
2. Number of firms investing in improved technology as a result of USG assistance (SD)	23,000	24,991	23,000	55,703	66,844	62,027	80,212
3. Number of SMEs that successfully accessed bank loans or private equity as a result of USG assistance	59,100	0	0	0	15	0	150
6.2 Agricultural Sector Productivity							
1. Number of additional hectares under improved technologies or management practices as a result of USG assistance	23,000	24,991	23,000	55,703	68,180	62,027	92,244
3. Number of agriculture-related firms benefiting directly from interventions as a result of USG assistance	300	2,032	378	4,067	4,761	3,330	5,714
4. Number of individuals who have received short term agriculture sector productivity training with USG assistance	80,000	265,108	100,000	258,005	250,000	262,367	300,000
Male				189,818	183,929	186,700	220,714
Female				68,187	66,071	75,667	79,286
7.3 Strengthen Micro-Enterprise Productivity							
1. Number of micro enterprises participating in USG assisted value chains	100,000	162,111	100,000	258,005	250,000	262,367	300,000
Number of micro enterprises receiving business development services from USG assisted sources	140,000	162,246	140,000	105,000	150,000	110,000	180,000
8.1 Natural Resources and Biodiversity							
1. Number of people trained in natural resources management and/or biodiversity conservation as a result of USG assistance	66,700	195,294	66,700	45,219	66,000	121,965	76,000
Male		125,405		28,203	40,540	65,720	46,777
Female		69,423		32,246	24,460	56,245	28,223

ATTACHMENT 2: EXAMPLES OF PROFIT'S "NOTES FROM THE FIELD"

1. Spray Service Provision Boosts Smallholder Cotton Yields



USAID
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Note from the Field 7.10

SPRAY SERVICE PROVISION BOOSTS SMALLHOLDER COTTON YIELDS

PROFIT has been working with Cotton Outgrower companies in helping facilitate improved smallholder farmer yields.



Alvin Maanza, a spray service provider, in his work kit.



Alvin shows off a crop of cotton that is now ready for harvest.

Alvin Maanza is a smallholder farmer of Shimbambamba village, Chief Moono in Mumbwa district. He is a trained spray service provider and has taken up spraying as a business. He started his spraying business in 2007-8 season, with only 4 farmers, with a total of 3.5 hectares but during the 2009-10 season, Alvin increased his clientele to 10 farmers (including four women) with a total hectareage sprayed coming to 15ha. Of the 15ha, 10ha were for insecticide spray and 5ha for herbicide spray.

Alvin charges ZMK50,000 (US\$10) per hectare per season for comprehensive spraying and crop scouting service and for herbicide spray he is charging ZMK40,000 (US\$8) per hectare. Due to the good quality of service he is offering the demand for his services has increased. Alvin has also been encouraging his fellow farmers who cannot spray on their own to grow cotton and hence contributing to the demand for his services.

Yields among his clients have increased from an average of 650kg/ha to 1,000kg/ha and chemical usage has dropped dramatically due to safe, effective and timely application – a skill in which Alvin and 860 other spray service providers have been trained by Dunavant and CropLife Zambia. In conjunction with PROFIT. With the increased yields, farmers' incomes have also increased from ZMK1,170,000 (US\$234) to ZMK1,800,000 (US\$360). The farmers expressed happiness with the spray service because it contributed to the increase in their yields. Farmers who were interviewed indicated their desire to increase the hectareage they will plant for cotton during the 2010-11 season. From the money, they made the farmers paid off their cotton loans and had surplus money to spend on household necessities and children's school fees. The farmers are also planning to use some of their money to buy inputs for next season.

At the end of the 2009-10 season, Alvin had earned K700,000 (US\$140) from his spray contracting business, and his improved spraying ability was instrumental in doubling the yield from his own two hectares to four tons, from which he made K6,700,000 (US\$1,340) from the sale of his cotton. He used some of the money to pay for his children's school fees. In addition, he is planning to increase the hectareage he is going to plant under cotton and other crops during the 2010-11 season because of the extra income that he will have. He has also decided that he will purchase his inputs around September, 2010. His future plans are to continue offering spray services and to start selling agro chemicals to the farmers in his village and to nearby villages.

PROFIT has been working to develop a spray and land preparation service industry within the smallholder sector providing individual farmers access to improved production technologies and skills they cannot afford or need to maintain themselves in order to produce at maximum efficiency. In the case of spraying and tillage services, high performing farmers with good equipment and technical as well as business skills provide commercially-based crop protection and land preparation services to their fellow farmers. This provides for the improvement in the rural economy as employment is created within the community and the farmers get services of good quality which are also affordable.

2. Spray Race – An Innovative Business Solution To Cattle Spraying



Note from the Field 8.10

SPRAY RACE – AN INNOVATIVE BUSINESS SOLUTION TO CATTLE SPRAYING

PROFIT has been facilitating the transfer of technologies to the rural communities. One such technology promoted by PROFIT in the recent past has been the spray race for cattle. The spray race is used for the control of external parasites



Cattle being sprayed using one of the spray races –Magoye, Mazabuka, Southern Zambia



Mr. Mweemba left, from the Magoye area of Mazabuka, Zambia, stands in front of his spray race. In the middle is his wife and right is his sister.

The agricultural sector is key to poverty reduction and the development of the Zambian economy. Over 50% of the Zambian population live in rural areas and depend on agriculture for their survival.

Zambia's smallholder farmers own the majority of the cattle and are mainly concentrated in the Southern province. As of 2008, the cattle population in this province was estimated at 825,740. Of this population over 70% of the cattle belong to smallholders. The productivity of cattle among the smallholders is constrained by many factors including diseases, inadequate availability of vet drugs, poor extension and inadequate market access. The disease burden has made cattle production in Zambia very challenging. The control of external parasites is a large part of the production cost for both beef and dairy cattle owners.

Efforts by government and the private sector to reduce livestock diseases over the years have yielded little result. PROFIT's innovations team took the well proven spray race technologies and modified it as a way of helping to combat livestock diseases in a cost effective manner.

In 2008, PROFIT in collaboration with Fens Investments; a Kafue based company, developed a spray race model for cattle spraying. The replica is based on a South African design and was launched in August, 2009. Fens has since become the official agent for the South African design company. With PROFIT's facilitation, a demonstration model of spray race was set up initially at Mapepe. The spray races are in two types, the mobile one and the stationary (immobile) one. The mobile spray race is designed in such a way that slabs are erected within a radius of 15km and the spray race is then rotated in the various areas. The mobile spray races are collapsible within 15 minutes and portable on a pick up. The benefit of this is that a service provider only invests in one mobile unit which is



In photo: one of the locally manufactured spray races



George, the local spray race owner, standing in front of his spray race



Cattle ready to be sprayed using a spray race



Animals being sprayed at a spray race in Morze

transferable to several different locations at set days during the week. Farmers are then instructed as to which day and time the unit will be in their area.

Only a small volume of dip is required to operate a spray race. Hence, it is feasible to prepare fresh dip at every dipping. The advantages of this are:

1. The dilution of the dip is always correct.
2. The tank can be cleaned regularly
3. The type of dip can be changed at will from one dipping to the next

The demand for this new technology has been high with 35 units having been sold by Fens investments within the first nine months. Total sales value to date for the company sit at a very respectable ZMK875,000,000 (US\$179,000).

The spray races have been established in numerous areas throughout the country namely: Mapepe in Lusaka, Magoye in Mazabuka, Maala in Namwala, Kayuni in Monze and Nalubanda in Mumbwa. The others are in Choma and Katete.

During the launch of the prototype spray race in Namwala, (second quarter of 2009) farmers' enthusiasm in the new product was extremely high, so much so that a local fabricator has replicated the units and is building them on behalf of the farmers. The cost of the locally made spray races is ZMK13,000,000 (US\$2,600) per unit. There are over 6 units now constructed by the local manufacturer servicing a total of 9,000 animals in the Namwala district of Southern Zambia. The average charge per animal is ZMK750 (US\$0.15) per spray. At the moment, there are 3 spray races set up on the Namwala plains servicing a total of 6,000 animals per week.

An owner of a locally made version constructed at Maala in the Namwala district, George Shimusako, a cattle farmer, had this to say about the spray race "When I saw the spray race, I was excited and shared the news with a friend, Collins Lubezhi. We decided to try out the innovation and cost shared the manufacture of the first locally made spray race. It worked well and we never looked back". He went on to say that "some of the benefits of the spray race were the significant time and labour reductions when spraying the animals". He says "it takes about 1 hour to spray 1,300 animals with only 5 people managing the animals".

Another cattle farmer and spray race owner, Collins Lubezhi had a lot of praise for the spray race and reiterated the benefits of the spray race which were mentioned by George. Collins is also the manufacturer of the locally made spray race. He thanked PROFIT for the innovation and said it is a solution to the disease problem especially during the times that the animals are taken to the plains.

The Makamu dairy women's cooperative at Kayuni 10 km north of Monze, operates a spray race. They received a donation of the spray race from the Republican President of Zambia, Mr. Rupiah Banda during the launch of the 2009-10 season held at Kayuni, Monze.

The group was formed in 2005 and now consists of 29 women dairy farmers. The group decided to use the spray facility to raise income for the group through the operation of the spray race. The spray race is managed by a committee selected by the group. The spray race is spraying over 300 animals per week raising a total income of ZMK300,000 (US\$ 60) per week. As one member of the group, Felistus Munsanje puts it "the spray race is a cheaper way of managing ticks as the amount of dip and water used is minimal. She further says that the mortality in her herd has also gone down because they can afford to regularly dip their animals with the spray race."

The Spray Race at Mapepe is currently servicing an average of 100 animals per week while the one managed by Munzuma Estates in Namwala sprays approximately 300 animals per week. The 2 spray races are giving the owners ZMK100,000 (US\$20) and ZMK300,000 (US\$60) per week respectively.

The spray race facilities are also acting as aggregation points to stimulate the demand for different products and services. Farmers access one off vaccinations, vet drugs, seeds, chemicals and trainings at spray race sites.

With such spectacular performance, the impact of the spray race on the reduction livestock diseases is expected to be enormous.

3.0 The Value of Growing Zamseed Hybrids



Note from the Field 3.10

Seed Industry Innovation – Pushing new hybrids in rural communities

PROFIT has been facilitating the promotion of new technologies including the growing of maize hybrids as a way of enhancing better yields, food security and poverty reduction among the rural smallholder households of Zambia



Joyce Zulu with her husband display their crop of ZMS 606



Betty Phiri (centre) with her husband and sister-in-law in their field of ZMS 606

Tiyeseke women's club is situated at Kaleza village 60km from Chipata in Eastern Zambia. The club has 40 members, most of them growing only local maize seed varieties.

During the 2009-10 season, the club received 10 micro-demonstration packs of ZMS 606 from ZAMSEED. The demonstrations were grown under the same conditions as the local seeds. The club decided to give the packs to Betty Phiri and Joyce Zulu to manage the demonstrations on behalf of the club.

Betty was assisted by her husband to manage the crop very well. It was planted on 6th December, 2009 and she only applied top dressing fertilizer. The field was weeded twice keeping it free of weeds. The crop performance was very good, and her neighbours wondered as to where she got her 'wonder' seeds from. On the other hand, Joyce planted her crop late (early January, 2010) due to prolonged dry spells. She received her fertilizers from the Farmer Input Support Program (FISP) late and decided to mix both basal and top dressing fertilizers on application. Joyce weeded her field only once. The demos brought a number of lessons to the club members including:

- Hybrid maize seed is not only the preserve for the 'big' farmers, but any farmer can get a good crop as long as one is committed to crop management practices to ensure good yields.
- Even when subjected to traditional practices under which most locally recycled seed are grown, such as applying basal and top dressing fertilizers as mixture; no fertilizers applied; late planting; weeding once, the hybrid crop did well compared to local recycled seeds.
- Farmers acknowledged that ZMS 606 had good yield potential.

Due to the success realized, ZAMSEED is planning to conduct a field day in Kaleza community so that more product knowledge is given to the farmers in the area and promote the village agent model so that access to the seed can be improved.

ATTACHMENT 3: PROFIT POWERPOINT PRESENTATION TO EVALUATION TEAM



USAID | **PROFIT**
FROM THE AMERICAN PEOPLE | PRODUCTION FINANCE AND TECHNOLOGY
AGRICULTURE INVESTMENT DEVELOPMENT PROGRAM

PROFIT – An Overview

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1. Background and Methodology
2. PROFIT's market development methodology
3. The agricultural retail industry
4. The commercial service provision industry
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7. The financial industry
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PROFIT is Zambia's leading agricultural market development initiative

Structure:
PROFIT is a \$20m, six year private sector development programme managed by CLUSA with Cardno Emerging Markets

Implementation:

- international and local technical expertise
- field staff of 16 in key agricultural regions
- flat management structure based on learning, innovation and quick response to changing market dynamics
- targeted subsidy to buy down risk of initial transactions



PROFIT's objective is the integration of smallholders into commercial input and output markets

Direct Clients:
Private sector entities on both demand and supply sides investing in developing productive relationships with the smallholder market

Target Clients:
Approximately 300,000 smallholder and emergent farmers that have the ability to invest in their production and drive Zambia's agricultural growth

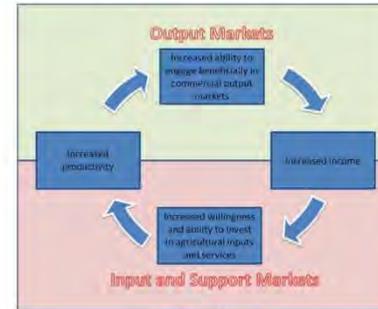


PROFIT has been a global pioneer of the market facilitation methodology

- Market development facilitation techniques include **broking commercial relationships** and building trust between all actors in a market system
- **Minimal use of direct donor subsidy** and intervention to prevent market distortion
- **'Ownership' of process** of behavioural change with market players rather than PROFIT
- Helping to create a **'cycle of confidence'** whereby all key requirements for smallholder upgrading are met simultaneously:



The 'Confidence Cycle' requires simultaneous attention paid to input and output markets



Much of PROFIT's work has been related to bringing down rural Zambia's high transaction costs

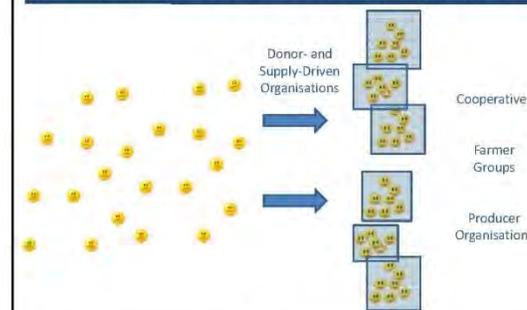
- Zambia's smallholder market is characterised by
- Scattered, low density market with low spending power
 - Highly seasonal buying patterns
 - Commercial activity largely confined to the line of rail

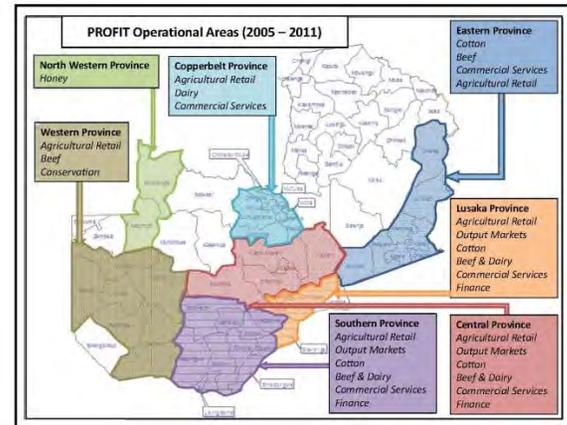
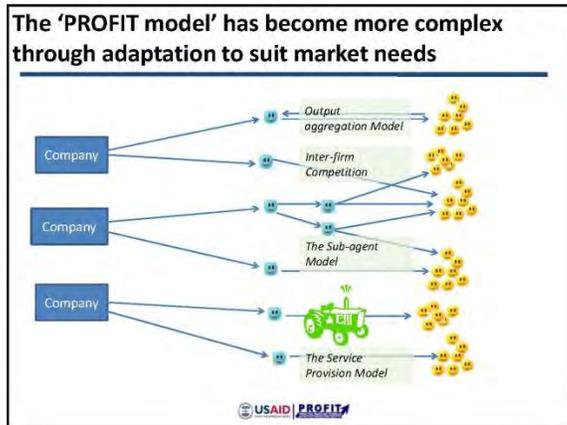
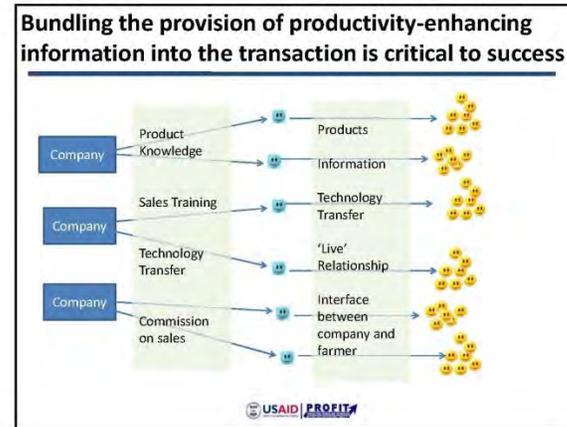
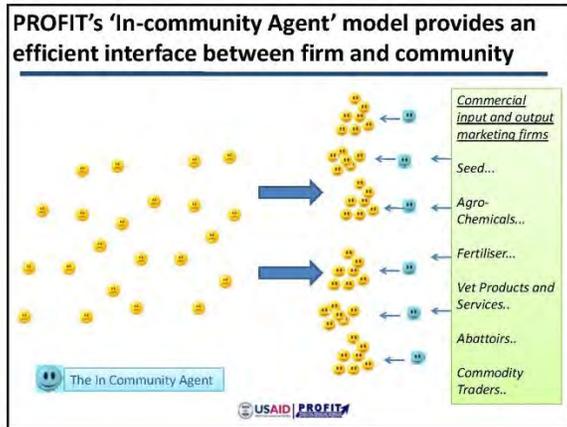
So the challenge has been:

How to aggregate smallholder demand and supply in an efficient, low risk, scalable and commercially viable manner that benefits both sides of the transaction



Traditional donor approaches are often slow to establish and take place in isolation of the market





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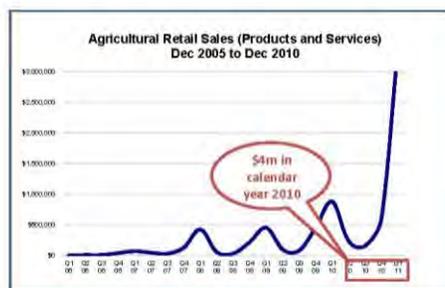


All major firms in the seed and agro-chemical sectors have adopted the 'PROFIT model'

- 15 firms now investing heavily in the smallholder market
- 2,500 agents working on a commission basis, servicing over 180,000 farmers
- Model has evolved to incorporate sub-agents, 'hubs' and spray service providers
- Herbicides and hybrid seed have formed the bulk of market growth and have had a dramatic effect on productivity and profitability



Sales through the agent networks have shown very strong year-on-year growth



Internal and external impact assessments have shown the grassroots benefits of industry growth

- The net benefits to the smallholder economy in terms of greater availability of inputs, increased product knowledge and yield enhancement are estimated to be over \$10m per year (PROFIT internal assessment)
- The average maize sales increased by 161% for farmers with access to improved input market systems, compared to 56 percent for those with no access (USAID Office of Micro-Enterprise study)
- The increase in gross value of maize sales represents \$150 of increased income for smallholders directly attributable to PROFIT interventions (Michigan State University study)



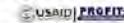
Government's fertiliser subsidy programme constitutes the greatest constraint to expansion

- The '**crowding out**' effect of a direct delivery subsidy programme deters private sector investment in smallholder crop nutrition
- **Retail firms are slow to innovate and invest**, even when the profitability of the smallholder market has been demonstrated
- **Changing the attitude of farmers to accept and invest in new technologies is a slow process**



PROFIT's work in the next eight months will seek to consolidate the good progress made by the industry

- Developing and promoting mechanisms for **taking the agent network to scale**, such as hubs and 'super agents'
- Investing time in assisting firms develop **sound agent management systems**, including ICT applications
- Working with the firms to explore the **commercial opportunities of gender-based marketing**
- Developing the role of agents in **consolidation for output marketing**
- As part of the PROFIT exit strategy, **ensure GRZ awareness and understanding of agricultural retail networks**



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PROFIT has pioneered the development of a commercial service provision market in the smallholder economy

PROFIT has facilitated micro-businesses with appropriate equipment and entrepreneurial ability to provide services for a fee to their neighbours

- As part of a drive towards the safe and effective use of chemicals, over 1,200 active spray service providers were trained and certified by CropLife Zambia in 2010
- 6,000ha of smallholder land was prepared by over 1,000 commercial ox and tractor-based tillage service providers in 2010
- Over 10,000 cattle are dipped per month through PROFIT-facilitated mobile spray races managed by local businesses



Making improved technologies commercially available to the smallholder market has had a dramatic effect

- Cotton yields have improved by up to 100% through the provision of commercial spray services
- Cotton and maize yields have doubled following the purchase of mechanised minimum till early land preparation services
- Smallholders spent \$275,000 on tillage and spraying services in Qtr 1 2011



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PROFIT's livestock work started by facilitating the provision of basic vet services to smallholders

PROFIT is assisting private livestock service businesses to adopt business models to engage a traditionally under-served smallholder market with affordable health care and drug sales

- Over 30,000 cattle in the smallholder sector are receiving regular private health services, valued at over \$100,000 per month
- Over 200 livestock workers are acting as the interface between service providers and livestock communities
- Increasing focus on output market relationships



PROFIT also fosters constructive relationships between small dairy farmers, processors and input markets

- During the three years of PROFIT intervention in the dairy sector, the smallholder contribution to commercial milk production has increased by over 300%
- Five major processors are investing in smallholder supply aggregation and transport, and providing extension
- Smallholder investment in feed, nutrition and animal health has risen dramatically with corresponding productivity gains



The livestock sector is a challenging environment but PROFIT's work is beginning to yield results

- *Calving rates increase by 50% and mortality drops in some cases by a factor of five in herds that have regular access to veterinary services* (PROFIT/Ministry of Education)
- *The increase in asset value within the smallholder economy attributed to the purchase of veterinary products and services reaches over \$1m per year* (PROFIT/Ministry of Agriculture)
- *The number of cattle deaths dropped by 81% for active farmers vs. a drop of 29% for inactive farmers* (USAID Office of Small Enterprise, Rural)
- *Smallholder dairy productivity and gross margin increased by 5% and 26% respectively in 2010* (PROFIT/Ministry of Agriculture)



While there are multiple constraints to livestock sector development, a proactive new Ministry is a good asset

- *Customary attitude to cattle – often difficult to persuade farmers to 'invest' in health care*
- *Supply of vets – Few rural-based vets willing and able to adopt business model*
- *Output market dysfunction – Few existing commercial incentives for farmers to invest heavily in productivity*
- *Chronic shortage of beef in relation to growing demand, but this also presents an opportunity for behaviour change*
- *Uncertain policy environment – creates tension between public and private players, but being resolved*



The next eight months involves close collaboration with the new Ministry

- *Continue to assist Ministry with **development of enabling policy environment***
- *In collaboration with the Ministry, **establish pilot Livestock Service Centres***
- *As part of the PROFIT exit strategy, **ensure all extension and service functions are carried out by private sector partners***
- *Assist livestock industry stakeholders to **develop a strategy to improve beef supply from smallholder sector***
- *Facilitating the **school feeding milk pilot programme** in collaboration with partners*



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PROFIT worked with the agricultural commodities industry to establish Zambia's first commodity exchange

PROFIT believes that establishing a platform for transparent and efficient trade will benefit all players including smallholders

- \$44m of trades across the Exchange in 2010
- Transactions will be secured through guaranteed settlement system
- ZAMACE grades and standards are the benchmarks by which agricultural industry does business
- PROFIT instrumental in bringing key players (WFP and FRA) onto the Exchange



ZAMACE is driving forwards smallholder participation in quality-based transparent crop marketing

- ZAMACE is working with 18 first-level community aggregation points
- Farmers and co-operatives are trained in commodity grading and quality parameters
- Community aggregated commodity is throughput to 8 ZAMACE-certified district warehouses
- Stimulating interest in warehouse receipt financing



Inclusive and transparent commodity market development is a long term intervention proposition

Unpredictable government market intervention spawns a series of symptoms of market system failure:

- An **adversarial trading environment** characterised by high levels of information asymmetry, high margin-taking and short term-ism is a product of the high 'political risk' factor
- '**Crowding out**' of private sector participation in smallholder markets disadvantages those to whom subsidised market is not accessible
- Unreasonable price risk creates **no incentive for the development of crucial market functions** like storage, speculation and price risk mitigation



The next eight months will see an emphasis on ensuring ZAMACE's commercial viability

- **Focus on increased commercial revenue** and a realignment of ZAMACE's product offerings to the market
- **Creating the legal framework for ZAMACE's regulation** by Securities and Exchange Commission
- **Assisting ZAMACE improve its services to the smallholder sector** for the 2011 marketing season, aware that further significant market distortion is likely



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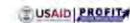
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PROFIT works with financial institutions to deepen financial inclusion for agriculture and the unbanked

PROFIT is helping to develop the capacity of all players in the financial industry to provide a range of services to rural Zambia

- A widely publicised report by PROFIT has helped stimulate greater investment by the commercial banks in agriculture
- Leasing products are being developed targeting the mechanised service provision sector
- The transformational mobile payments platform developed with assistance from PROFIT recorded \$2m of micro-transactions per month in 2010
- In 2010, \$1m per month of e-vouchers (developed by PROFIT) were redeemed in subsidy delivery programmes



PROFIT has been instrumental in the establishment of the African Carbon Credit Exchange in Zambia

- ACCE is stimulating the development of the African carbon finance market through the provision of a transparent trading platform and financial intermediation
- PROFIT is working closely with ACCE on two carbon programmes that will bring real benefits to rural Zambia:
 1. A commercial cook-stove project rolling out high efficiency 300,000 stoves into rural communities
 2. A world-first carbon agro-forestry project with huge implications for food security and climate change adaptation in rural Zambia



Agricultural finance, especially to the lower end of the market, is seen as extremely high risk

- **Unpredictable government market intervention** creates a high risk financing environment for agriculture
- **Low levels of financial literacy and management** in the farming sector further deter investment by the financial sector
- **Poor understanding of agriculture by the financial institutions** has also traditionally been a constraint, though this is being addressed
- The smallholder sector is characterised by **low levels of security**, hampering its inclusion in traditional credit products



The next eight months will involve the exploration of two 'new' financial services to rural Zambia

- *An assessment of the needs of the micro-finance industry in relation to expanding into the rural market with appropriate product offerings including savings*
- *Working with other stakeholders on increasing the accessibility of insurance to the rural market*
- *Supporting the nascent equipment leasing sector on both lender and borrower sides*
- *Working with ACCE to develop and implement carbon projects benefitting rural Zambia*



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PROFIT is at the centre of an informal 'alliance' of actors in Zambian agricultural development



The Zambian National Farmers Union has 350,000 members and is an effective advocacy organisation



The CFU is a highly effective technical training organisation with a footprint of 140,000 farmers



IFC brings significant financial skills to the table and is a key partner in developing mechanised services



WFP is a major partner in developing ZAMACE with all food procurement going across the Exchange



PROFIT has also developed strong links with government through demonstrating private sector capability

- *There is strong GRZ support for PROFIT's agricultural retail market development*
- *PROFIT is a key partner to the new Ministry of Livestock assisting in defining their 'enabling' role*
- *PROFIT's e-voucher is gaining acceptance in GRZ as a potential vehicle for agricultural input subsidy delivery*
- *PROFIT and ZAMACE have persuaded FRA to start selling its maize stocks through the Exchange*
- *PROFIT's advocacy work on agricultural competitiveness has reached the highest levels of Government*



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PROFIT's methodology does have limitations in relation to some donor expectations

- *Building trust and commercial relationships take time*
- *The ultimate 'beneficiaries' are often not easy to define as they are not direct clients of the programme but of private sector service providers, and they 'self select' through a commercial decision-making process*
- *Therefore it is difficult to pre-determine geographical and social (gender, 'poorest-of-the-poor', etc) targets*
- *It is difficult to overlay social mandates (health, etc) as market system actors cannot take on the functions of other actors from public goods systems*
- *Due to the 'hands off' approach, M&E is a challenge*



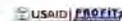
PROFIT's market facilitation work has led to real economic growth at industry, firm and household levels.

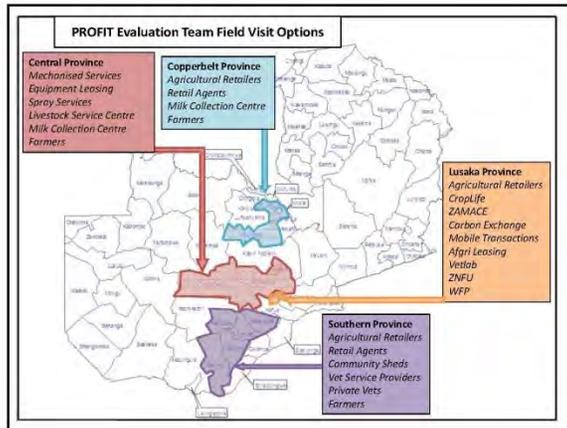
- *Structural changes have taken place at industry level*
- *The smallholder market (as suppliers and consumers) has been demonstrated to be a viable commercial proposition*
- *PROFIT has demonstrated to government that the private sector is capable of providing services to smallholders*
- *As a result of PROFIT's work, tens of thousands of farmers are upgrading their farming practices and tens of thousands of hectares are coming under modern farm management practices*



With the right market incentives, smallholders are willing and able to invest in upgrading production

- *The provision of knowledge-based solutions to smallholder productivity issues is the key to the success of commercial relationships*
- *Transaction costs can be reduced and upgrading can be initiated through the efficient organisation of farmers by commercial market systems*
- *The 'sustainability of change' occurs when ownership remains with the market players*
- *Interventions will only be effective when self interests within a market system start to drive behaviour change*





Thank You

Any Questions?



USAID
FROM THE AMERICAN PEOPLE

ANNEX 7

EVALUATION OF ZAMBIA AGRIBUSINESS TECHNICAL ASSISTANCE CENTER, COPPERBELT OUT-GROWER INITIATIVE (ZATAC-COI) PROJECT (ZATAC) – USAID/ZAMBIA ECONOMIC GROWTH END OF PROJECTS EVALUATION

March 11, 2011

Prepared for the United States Agency for International Development, USAID Contract Order
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Order Title: USAID/Zambia Economic Growth End of Projects Evaluation

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PROGRAM DEVELOPMENT HYPOTHESIS, STRATEGIC FRAMEWORK DESIGN AND RESULTS FRAMEWORK

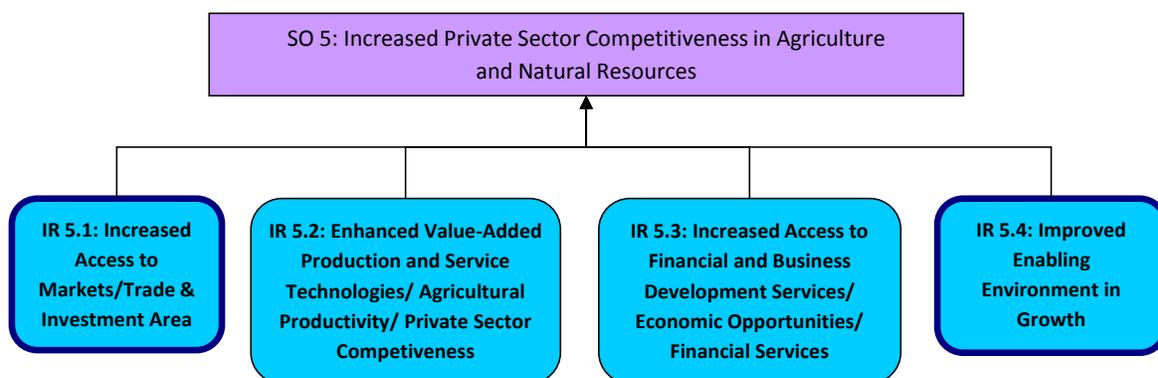
USAID/ZAMBIA S05 PROGRAM DEVELOPMENT HYPOTHESIS, STRATEGIC FRAMEWORK DESIGN AND RESULTS FRAMEWORK

USAID/ZAMBIA's Strategic Plan for 2004-2010 included activities in a number of program objectives. The over-arching Strategic Objective 5 (SO 5) for the Economic Growth program was to “*increase private sector competitiveness in agriculture and natural resources*” within the region and internationally, of Zambian farmers and firms, with special focus towards Zambian small holder farmers. In the process of developing this focus, USAID/Zambia had identified over the earlier ten years the main constraints to agricultural development and small-scale rural agri-business competitiveness to be:

1. Lack of capacity, clarity, and consistency within Zambian Government to generate and implement liberalization policies, conducive to private sector-led agricultural growth;
2. Poor market access and under-developed markets that limit production;
3. Inadequate sources of finance and capital; and,
4. Low farm and firm-level production and productivity.¹

This understanding of the principal constraints at the time led to creation of the Strategic Framework for the Zambia Economic Growth program which essentially posited the hypothesis that ‘by increasing private sector competitiveness in agriculture and natural resources, the main constraints to agricultural development and small-scale rural agri-business competitiveness would be enhanced’. There was also a clear intention that food security and improved economic welfare would also be enhanced among the rural poor targeted. The USAID/Zambia strategic objective #5 framework is illustrated below in Figure 1.²

Figure 1: USAID Economic Growth Results Framework



¹ USAID dTS Scope of Work for Zambia Evaluation, p. 1, 2010. This SOW may be found in Annex 1 of the Final Evaluation Report.

² SO Framework from Updated Performance Monitoring Plan, USAID/ZAMBIA, 2004-2010, January 2009, p. 3

ZATAC/COI PROGRAM DEVELOPMENT HYPOTHESIS, STRATEGIC FRAMEWORK DESIGN AND RESULTS FRAMEWORK

Table 1: USAID ZATAC – COI Funding

Project	Start Date	End Date	USAID Funding	Cost Share	Total Funding
DAI, Inc.	Phase I: October 22, 2004	December 2006	\$1,100,000	\$227,107	\$1,076,713
ZATAC Ltd.	Phase II: Sept. 25, 2007	September 30, 2010	\$849,000		

Background

This evaluation seeks to assess whether or not the ZATAC Ltd. program (2004-2010) achieved the goals initially set out and if project achievements and outputs indeed contributed to the USAID/Zambia SO 5 assistance objectives cited above. The evaluation team also, as requested, assessed the strengths and weaknesses of the development hypothesis above, and sought to document what worked well and what did not work so well. This, combined with lessons learned and best practices, will help USAID/Zambia inform future initiatives in the country, and particularly the upcoming Feed the Future (FTF) Initiative. The program under review ended in September 2010, yet ZATAC efforts continue on in the Copperbelt. This reality posed special challenges to the evaluation team in that we could not completely ignore the continuity of programs in the Copperbelt four months past the project life, nor ZATAC's larger programmatic framework within the country. This larger context directly influenced ZATAC project implementation in the Copperbelt and had to be at least briefly discussed in this evaluation, where we felt it appropriate. The outline of this report seeks to guide the reader through the responses to the key questions raised with respect to achieving the goals and objectives established.

Prior to the implementation of the ZATAC program activities of this evaluation, Development Alternatives, Inc. (DAI) was awarded a 5-year (1999-2004) \$6.7 million project by USAID/Zambia with a goal '*to commercialize and diversify smallholder production, processing, sales, and trade in Zambia*'. To assist in achieving this objective, DAI supported the creation of what was to become known as the Zambia Agribusiness Technical Assistance Center Limited (ZATAC Ltd.). ZATAC Ltd. was first formed in April, 2002. During this project, ZATAC began to take shape as a potential Zambian company and gain experience in a number of provinces of Zambia. ZATAC was one of the programs designed by USAID/Zambia to contribute to the SO 5 results cited above, and has come to be referred to as one of USAID/Zambia's 'legacy institutions', having received more than 10 years of support from its initial beginnings as a project to its own developing maturity as a stand-alone Zambian private sector technical assistance company specializing in enterprise development and training. From the evaluation team's perspective, the long-term sustainability of the mechanisms put into place by the program at both micro (smallholder farmers/firm level) **and** macro levels (institutional ZATAC level) represents one means of measuring the success or failure in achieving the overall goal of '*increasing private sector productiveness*' within Zambia. Issues linked to the sustainability of ZATAC program achievements will therefore be addressed.

DAI COI Phase I (2004-2007): The first phase of the Copperbelt Outgrower Initiative (COI), with a regional focus towards the northern Zambian Copperbelt, was launched in 2004 as a \$643,000 sub-contract through DAI, lasting three years (2004-2007). COI was conceptualized as an effort for a broad alliance of the regional mining industry, commercial banking, and farmer-based organizations at the local and national levels, agribusinesses, national and international service providers, and local governments. Its express purpose was to contribute to the broad-based economic recovery of the Copperbelt by helping '*diversify the income-base of the Copperbelt population away from excessive dependence on mining*', in a province with significant poverty, aggravated by

economic decline during a period when copper prices were declining. Mines were laying off over 20,000 thousand workers, and the lack of investment in productive sectors other than mining made diversification difficult.³

Project efforts in Phase 1 focused on out-grower schemes by expanding the acreage of paprika, increasing the number of hives for honey production, and groundnuts among smallholder farmers over a widely scattered region within the Copperbelt. These efforts were to link these farmers with what at the time appeared to be viable Zambian companies (e.g. Cheetah Zambia, Specialty Foods, Choice Nuts Zambia) with the interest and capacity for increasing export sales of these commodities. Yet the incomes earned per farmer were relatively small, and had little impact as the scale of the efforts could not be sufficient to result in real economic impact at the household level. When these companies failed for management reasons, the out-grower schemes collapsed along with them; farmers were disheartened, and the project began to look for more realistic solutions to address project objectives in more geographically concentrated areas.

At the departure of DAI in 2007, a Price Waterhouse audit was conducted of ZATAC Ltd's financial accounting system. The resulting positive assessment included a proposed NICRA rate for future possible USAID funding. This rate has become part of multiple subsequent contracts with other donors over the past three years, but USAID/Zambia has always denied this to ZATAC. In addition to the COI sub-contract, DAI also sub-contracted ZATAC Ltd to manage the finance component of the Market Access trade and Enabling Environment Project (2005-2010). Recommendations by DAI also included turning over management to ZATAC Ltd of the \$2.5 million MATEP Investment Fund loan portfolio for private enterprises – a portfolio that had already been largely loaned out, a portfolio considered by some as 'toxic' and unrecoverable.

ZATAC COI Phase II (2007-2010): Success in institutionalizing ZATAC Ltd. as a viable private local agri-business technical assistance firm from 2002 led to USAID approving COI Phase II in which ZATAC Ltd. received funding, in its own right, for an additional three year program. Here, the overall goal of the program would remain the same as during Phase I, as stated above, but the specific focus would be on support to ten widely scattered cooperatives for expanding small farmer out-grower production of paprika and honey to Zambian firms committed to sell the commodities produced;⁴ it would also provide more geographically concentrated assistance to intensive irrigation schemes at three locations in the Copperbelt, linked to diversifying the options for unemployed or underemployed former miners. When the firms linked to paprika and honey commercialization collapsed in 2008 because of internal mismanagement, the ZATAC commercial and training support efforts to these cooperatives also collapsed. Fortunately, ZATAC had also initiated activities in 2004 supporting three major hi-tech irrigation systems in the Copperbelt and providing enterprise development support to the three smallholder farmer-owned cooperative businesses, and these activities formed the major thrust of ZATAC activities within the Copperbelt over the life of the project Phase II efforts. Key objectives were to reduce dependency on rain-fed agriculture and drought vulnerability while enhancing economies of scale through concentration of activities. To this end, vegetables, groundnuts and

³ In recent years, copper prices have rebounded, but copper mining companies in the Copperbelt have not responded by significantly increasing employees in their mines.

⁴ These activities were a carryover from Phase 1 initiatives.

bananas were to be produced under irrigation. This was to quickly evolve to include dairy/milk sales, poultry/eggs, fish sales and pork at some of these sites.

USAID Phase II funding through the Copperbelt Out-grower Initiative (COI) ended in September 2010. Phase II had a stated goal “*To create commercial opportunities that increase smallholder incomes from agriculture-based activities so that poverty is sustainably reduced and food security assured*”.⁵ A key objective of the program targeted newly minted ‘farmers’ who were former retired or recently laid-off miners from the Mopani Copper Mines. Other small holder farmers from Chibote in Kalulushi district and Lukoshi in Mufulira district were organized into Producer-Group Enterprises (PGEs) linked to regional and international Commercial Agribusinesses to commercialize specific commodities. A value chain approach was used. Though marketing efforts to date are all regional, the demand for these commodities currently exceeds what is available.

USAID’s contribution to COI was intended to support the goal and all four objectives of its 2004-2010 Country Strategic Plan for Zambia, whose Results Framework embraced Strategic Objective 5 “*Increased Private Sector Competitiveness in Agriculture and Natural Resources*”, as shown above, to be realized through the following intermediate results:

- IR 5.1: Increased Access to Markets
- IR 5.2: Enhanced Value-Added Production and Service Technologies
- IR 5.3: Increased Access to Financial and Business Development Services
- IR 5.4: Improved Enabling Environment in Growth

In order to contribute to USAID’s SO5, COI Phase II would have to clearly demonstrate:

1. Increased number of people deriving their incomes through employment in sustainable sectors (especially agribusiness) other than mining,
2. Increased number of people benefitting from sustainable (especially agribusiness) non-mining production, and
3. Increased incomes derived from sustainable non-mining incomes

In order to accomplish this, COI Phase II would need to realize outcomes and impacts aligned with all four USAID’s Intermediate Results above. The evaluation team’s task was to answer the question: Did ZATAC Ltd. succeed in achieving these results and the overall goal? The short answer to this is ‘Yes’, and the longer answer is presented in the pages below.

STRATEGIES FOR COMMON APPROACHES, PROGRAM INTEGRATION, AND IMPACT DIFFUSION

When the USAID Economic Growth SO 5 projects were initiated in 2004, regular quarterly meetings were held to which ZATAC, PROFIT, FSRP, ACF, MATEP, and other programs contributed their shared experiences and discussed issues each were faced with. The purpose of these meetings was to share common

⁵ ZATAC project Program Description, September 10, 2007, p. 20.

approaches, and learn from each other. Unfortunately this did not last long, and by 2007, when many of these projects were receiving new cooperative agreements, and amendments to contracts, this exchange had ended entirely. Projects generally worked in different geographical areas, with different partners. The evaluation team was not able to determine why these regular exchanges ceased to take place. Perhaps it was believed that the Agricultural Consultative Forum (ACF) would fill this role through the regular forums that initially were taking place in the first few years, with FSRP providing the research base of findings to inform debate before addressing different issues with the Government of Zambia at the policy level. However ACF has become less and less proactive and effective in recent years in its originally conceived role, so became less able to fill this role.⁶

The evaluation team came across a number of areas in which ZATAC could have been greatly strengthened in its own implementation approach had such common sharing and exchange continued. One of the weaknesses of ZATAC's activities within the three agricultural cooperatives receiving substantial modern irrigation support was in the inputs needed for the different commodities being grown and commercialized. None of these cooperatives have established to date a regular linkage with input suppliers for seed, herbicides or veterinary services for their dairy cattle, pigs and poultry. This is seen by ZATAC to be an area for attention in the coming months and years. However, by 2007/2008, PROFIT had developed an excellent model for identifying private agents linked to specific input supply firms and farmers/cooperatives, and application of this model in the Copperbelt in 2009 and 2010 could have led to sustainable links for farmers to input suppliers by the end of the project. In another example, private sector entrepreneurs being supported within the lumber industry face yearly loss of income and competition from cheap imports of Malawian lumber each December and months immediately thereafter. The Zambian forest service takes a month off (Christmas break) at this time, so that private lumber operators are not able to receive new contracts for harvesting timber from State forests. Because the supply of Zambian cut lumber drops each December as a result, the GRZ has permitted the temporary importation of lumber from Malawi to meet in-country demand. Because Malawi does not have the high taxes associated with petrol that Zambia has, Malawi lumber firms take advantage of this 'window of opportunity' to transport and dump large quantities of Malawi lumber on the Zambia market. This lumber is sold for considerably less than it costs Zambia's own private sector timber industry to produce and transport. ACF and FSRP have as one of their principal missions to address just such issues faced by the Zambian private sector in being regionally competitive, and might have been able to begin addressing this policy issue in different ways. ZATAC never brought this issue up with ACF, nor has ACF in recent years been proactive enough to explore these issues among their stakeholders, such as ZATAC.

Though ZATAC Ltd. never explored with PROFIT some kind of collaborative framework during the 2004-2010 period, the two organizations did cross paths in Mpima Kabwe, where ZATAC, with SIDA support, in 2005 helped a group of farmers to establish a milk collection center and provided 60 dairy cows on loan to 30 members of the Cooperative. These farmers are currently producing in excess of 2,800 liters of milk/day. With USADF support ZATAC is also helping the Cooperative to launch a dairy processing plant by March 2011. ZATAC is also working with Word en Daad of the Netherlands and started to provide enhanced business loans to the more successful farmer entrepreneurs. There was already a government dip tank in the

⁶ Annex 9 provides a separate evaluation of the ACF program.

area which PROFIT used as an entry point to link the dairy cooperative to a private veterinary service, which apparently is working well, given the underlying success of the ZATAC investments.

In another example of areas where some degree of cross-program integration took place, \$150,000 was loaned out to Cheetah Zambia, a firm owned by a Dutch national, from the MATEP Investment Fund (subcontracted by the MATEP project to ZATAC Ltd.) for the purpose of supporting the supply of paprika inputs, the purchase of paprika crops from smallholder farmers, as well as export pre-shipment financing which were part of ZATAC –COI Phase I activities funded by USAID/Zambia. Unfortunately, this company was poorly managed and the owner attempted to externalize his factory to Mozambique and flee Zambia without repaying this loan. ZATAC correctly took the initiative to use the judicial process to seize the plant and prevent equipment from being moved to Mozambique. ZATAC also seized substantial paprika stocks. A Court Order was received to recover the loan through the sale of the equipment and the paprika, and about \$35,000 was recovered from the sale of paprika stocks. The equipment, still unsold, was still in a warehouse when USAID/Zambia brought the Mitchell Group in to take over the process. The process is now in limbo (explained elsewhere in this report).

PROJECT MANAGEMENT, COORDINATION AND CAPACITY DEVELOPMENT

During Phase I, DAI's management consisted mainly of technical support to and management oversight of activities launched by ZATAC Ltd, with the US based Chief of Party making 2-3 trips a year to Zambia. During Phase II, the project was led by ZATAC Ltd's Chief Executive Officer, supported by a program manager based in the ZATAC Kitwe office in the Copperbelt, two field officers, a project accountant, and an administrative assistant. ZATAC then reported on a quarterly basis, and as needed, to the USAID/Zambia Cognizant Technical Officer (CTO), who was under the management of the USAID EG Team Leader.

The ZATAC-COI project effort had ended by September 30, 2010, so the evaluation team was not able to observe program management and coordination issues in practice during our visit in January 2011. All staff had been let go by this time, with the exception of the Chief Executive Officer and program accountant, with whom we met.

However, from our field visits to the key project outreach sites within the Copperbelt, it was clear that the project's beneficiaries were well acquainted with the ZATAC staff, and continued to benefit by training and structures put into place following the end of the project. Most important of these were the accounting systems being used, and managed by ZATAC trained local accountants. The cooperative managers of the three irrigation schemes worked with have not only good accounting systems in place, but also continue to keep records on production of commodities by members, sales, and revenues received. They are, however, dependent on external ZATAC-trained accountants, who are only part-time employees. When they departed, as seen at the Chibote site, no local cooperative manager knew how to access the accounting system, so they reverted to paper accounts which were not as well managed. Subsequent new leveraged funding, following the close out of the USAID funding, however, has permitted continuing technical and business development support to all the principal target communities of Phase II.

One weakness we were able to discern within the ZATAC-COI's past had to do with project reporting on quarterly and annual results, as well as in the reporting on PMP indicators. These issues are discussed below.

M&E SYSTEM AND TARGETING OF BENEFICIARIES

The 2007 cooperative agreement contract clearly specifies that ZATAC will develop a Monitoring & Evaluation Plan/Performance Monitoring Plan within the first 60 days of the award, to be approved by the CTO of the project. There it stated that the Performance Monitoring Plan (PMP) should include:

1. Progress against agreed-upon indicators from the Monitoring and Evaluation Plan to date;
2. Identification of actual or potential challenges or threats to the successful implementation of the activity;
3. Planned activities for the forthcoming quarter;
4. A comparison of actual accomplishments with the goals and objectives established for the period, the findings the investigator, or both. Whenever appropriate and the output of programs can be readily quantified, such as quantitative data should be related to cost data for computation of unit costs;
5. Reasons why established goals were not met, if appropriate; and

Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.⁷

Performance of the project in implementation, and responding to the PMP indicators defined for performance monitoring, were to be reported through the quarterly reports as defined above.

PERFORMANCE INDICATORS: PROJECT OUTPUTS, OUTCOMES, AND IMPACTS

At the beginning of ZATAC Phase I funding in October 2004, a Performance Monitoring Plan (PMP) was developed with a number of key indicators. However no mention was made of this pre-existing PMP in the new cooperating agreement with ZATAC Ltd. for Phase II. According to the ZATAC Chief Executive Officer, the initial PMP created back in 2004 continued to serve as the guiding tool for performance management. Though indicators were provided in the 2004 PMP document, no baseline values were set at that time, nor were targets set for those initial years of the project, with tracking of actual values realized. However, with the start of Phase II, baseline and targets values were set for FY 2008, 2009, and 2010 (see Attachment 1A).

During Phase II, ZATAC managers continued to track the key indicators initially defined in Phase 1, though the program changed in focus during Phase II, including the dropping of a number of indicators, and the dropping and adding of new commodities. For example, ZATAC never ended up contributing to any export markets, nor did it include funding for HIV/AIDS outreach programs, so these indicators were dropped for Phase II.

USAID guidelines for the development of project PMPs ask that programs clearly show how project components and objectives are linked to the USAID/Zambia strategic framework within which the project was conceived. Project objectives lead to specific output, outcome, and impact indicators which will permit

⁷ Cooperative Agreement No. 611-A-00-07-00002-00, ZATAC/COI, September 30, 2007, pp. 7,8,10.

proper assessment by program managers of progress being made. Annual targets must be set for each indicator, with quarterly or annual reporting (as appropriate) of progress made in achieving these targets. Most quarterly reports are expected to include a summary Indicator Performance Tracking Table (IPTT) that shows in one place progress being made by quarter/year towards end-of-project established targets. ZATAC did not develop such a document for Phase II when it was the prime contractor, which should have served as a 'living document' and roadmap that is annually reviewed and updated throughout the life of the project.

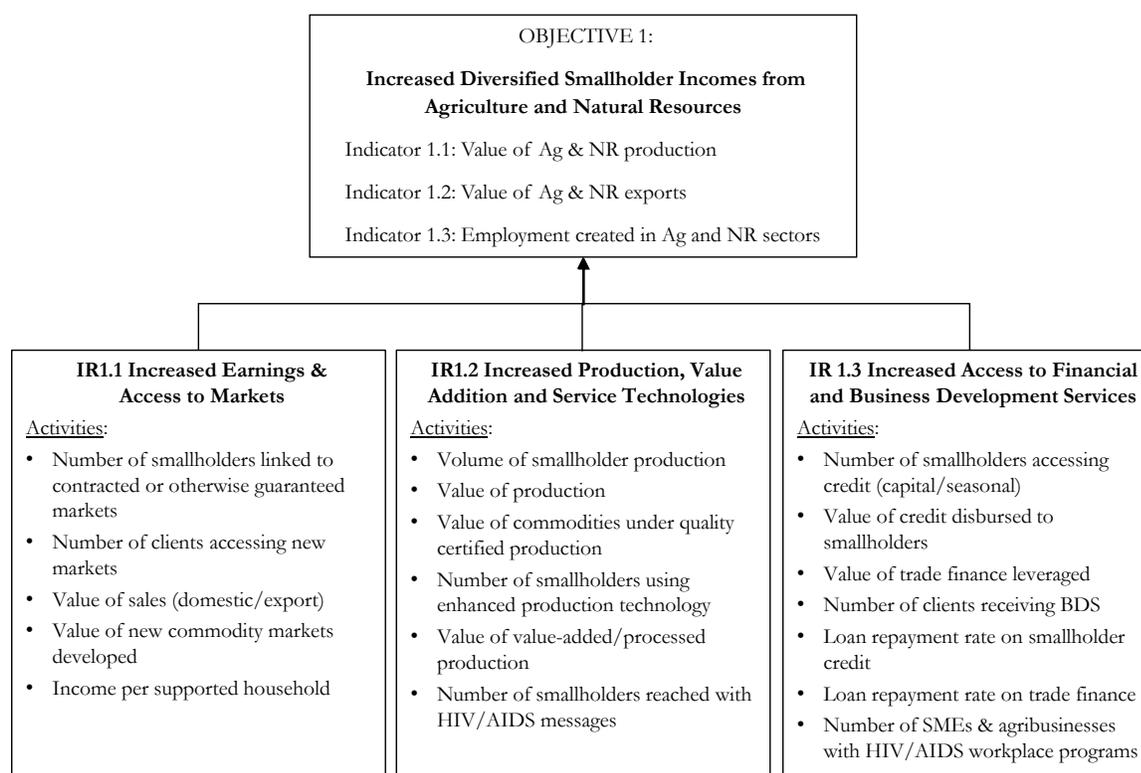
USAID/Zambia created its own PMP for the economic growth portfolio of projects, as appropriate.⁸ This document shows the Performance Indicator Reference Sheets (PIRs) defining the specific indicators that USAID itself is tracking for its own management purposes and reporting needs through its annual Operational Plan (OP). Different projects contribute to the various indicators. This PMP shows 11 custom (impact orientated) indicators, and 36 operational plan output "F" indicators. Specific projects contribute, as appropriate to either the custom or "F" indicators, and should themselves also have additional output and impact indicators to monitor progress for key program initiatives, thereby helping to manage for results.

What ZATAC did do during Phase II was to create an Excel spreadsheet to track progress made in each of its key indicators (cf. Attachment 1B). This spreadsheet shows data beginning in 2007 (considered as the new baseline), but does not disaggregate these data as to their source (from which irrigation site). Though this format appears to include most of the information that would be included on an IPTT table, it is more difficult to see at a glance the overall progress being made for an indicator against targets. Nor were these tables included in quarterly reports, as was the case with the PROFIT project, for example. What was included in these reports is discussed below. USAID/Zambia also provided to ZATAC management a format into which quarterly reporting indicators would be reported. The evaluation team would have expected that these quarterly results should have been reported as part of the quarterly and annual reports to USAID.

Table 2 below illustrates the ZATAC Phase I PMP results framework. In addition to the three Intermediate Results (IRs) shown here, the program would also contribute to USAID's intermediate result (IR) 1.4: 'Improved Enabling Environment for Growth' through its provision of electric power to the irrigation sites and the provision of irrigation systems. These were achieved, and much more besides for this IR (discussed below).

⁸ USAID/Zambia, Updated Performance Monitoring Plan, 2004-2010, January 2009.

Figure 2: ZATAC Copperbelt Outgrower Initiative Results Framework⁹



A set of eighteen indicators were established for both the ZATAC project management and USAID/Zambia to monitor the progress of this project. Those indicators highlighted in yellow below were dropped by Phase II. These indicators were:

Program Element 5.2 – Agriculture Sector Productivity:

1. Value (US \$) of Agricultural and Natural Resource production by supported groups
2. Value of Agricultural and Natural Resource exports from supported production
3. Employment created for supported groups in Ag. and NR sectors (no gender disaggregation)
4. Number of smallholders linked to contracted or otherwise guaranteed markets
5. Number of smallholders delivering to contracted or otherwise guaranteed markets (no gender disaggregation)
6. Number of clients accessing new markets (no gender disaggregation)
7. Value (US\$) of domestic sales

⁹ ZATAC, Copperbelt Outgrower Initiative, Performance Monitoring Plan, October 2004, pp. 4-5.

8. Value (US\$) of export sales
9. Sales Income (US\$) per supported household (no gender disaggregation)
10. Volume (MT) of supported smallholder production
11. Value (US\$) of value-added processed production
12. Number of smallholders reached with HIV/AIDS awareness (no gender disaggregation)

Program Element 6.2 – Private Sector Productivity

1. Number of smallholders accessing credit (no gender disaggregation)
2. Value (US\$) of credit disbursed to smallholders.
3. Value (US\$) of Trade Finance disbursed to SMEs and Agribusinesses
4. Number of SME clients receiving BDS (no gender disaggregation)
5. Number of SMEs reached with HIV/AIDS workplace program Messages (no gender disaggregation)
6. Number of agribusinesses achieving increased economies of scale (no gender disaggregation)

As a project evolves, indicators can be dropped and new ones added. However, ZATAC never actually revised its initial 2004 PMP. ZATAC continued to report on the same indicators established in 2004 during the second phase of the program when commodities took a major shift in focus. For example, paprika, chili peppers, and honey continued to be reported upon in 2007, 2008, and 2009 reports to USAID even when ZATAC no longer was working on these commodities because of the collapse of the firms purchasing these from farmers. During these later years, ZATAC began to have significant impact in banana, dairy (milk), eggs, fish or pork sales without including any of these in their PMPs annual reporting spreadsheet to USAID. A separate, special spreadsheet, with tables was created by ZATAC itself, to track indicators bearing on these commodities, and this was separately sent to USAID as well – representing two completely different reporting formats whose data did not match up.

With ZATAC, the smallholders impacted by the project do not seem to have been tracked for impact at their household level. It was not possible, for example, to know how many actual people (men, women, children, orphans, and women headed households) were found within the beneficiary households of ZATAC smallholder households concerned. The fallback answer was to multiply the number of households assisted by statistical averages like 5.5 or 6 people/households, when in fact many households might have 15 to 18 members, mostly children, with many of these being orphans supported by these households. The evaluation team interviewed groups of such ZATAC beneficiaries and found household sizes to be significantly higher than the reported national averages.

Thus, the evaluation team would have to state that performance monitoring on this project was actually quite weak. The information reported on this PMP is both incomplete, as well as misleading. Incomplete because even more important commodities were added during Phase II of the project which do not even figure on the results matrix (for values, volumes, farmers reached, etc.). These commodities included maize, banana, milk, vegetables, eggs/poultry, fish and pork/pigs. Misleading because the COI did not actually work any longer with either paprika or honey, for example, but data are reported for these commodities for 2007, 2008,

and 2009. The project itself no longer worked with these farmers (targets of Phase I), nor did it have any means of actually collecting such information. These data are only anecdotal information from people once known in these areas, but not the subject of rigorous data collection. Review of the spreadsheet information given to USAID/Zambia each year (e.g. Attachment 1B) shows that indeed these data are blank for these commodities. There was clearly a disconnect between these two systems of reporting that apparently did not capture the attention of the USAID CTO managing the program.

Perhaps more importantly, in addition to these concerns, there is no real information about the actual impact of the activities that were undertaken on the actual households targeted in the three irrigation systems. Much of the problem can probably be attributed to the perception that 'this is what USAID has asked for, and so this is what we will give to them'. The PMP was not seen by either USAID or the implementing partner as a 'living document' that needed to be updated over time, with attention to looking for outcomes and impact of program interventions.

REPORTING AND COMMUNICATIONS

It appears that quarterly reports were regularly prepared and given to USAID/Zambia's project CTO. None of the quarterly reports reviewed for the last three years of the project (FY 2010) show the actual date of submission on the cover page. Whether or not they were actually received by the CTO at the appropriate time is not clear.

The content of these quarterly reports is also quite curious, and sometimes disconcerting.

1. The executive summary page for the 1st, 2nd, and 3rd quarters of FY 2010 are exactly word-for-word the same, including the Table 1 on Targets and Results (for which no results are given). One would have thought something new had happened during each quarter that would merit being reported upon. One might have expected results for specific indicators would have changed from quarter to quarter.
2. The annual report for FY 2010, which also included the reporting for the 4th Quarter for FY 2010, also has the exact same text for the executive summary as that in each of the 1st, 2nd, and 3rd quarters of the same year.
3. With the exception of a couple different photographs in all 4 reports mentioned above, most of the rest of the text in each of these documents is for the most part identical from quarter to quarter, including the same photographs appearing over and over again.
4. Even the specific bullets for specific quarter by quarter activities implemented are largely the same from quarter to quarter; though here one does see some variation (some new activities are mentioned).
5. The texts on quarter-to-quarter accomplishments are also word for word identical from quarter to quarter, for the most part, including the same illustrative photographs.

6. No actual results are reported on in the quarterly reports, or a discussion given of specific challenges encountered and how they were overcome. One would have expected that a Table of Indicators, such as given in Annex 1 would have been attached with each quarterly report.¹⁰

The implication is that these quarterly reports were not given much creative attention by either the ZATAC project manager or the USAID CTO over the life of the project. Our review at ZATAC project sites showed that there was a rich trail of interaction of the project with various partners at the various irrigation sites. For example, the Manager of Corporate Affairs of the Mopani Copper Mines, a key partner that launched the Makumbi Farm, showed the evaluation team extensive tracking information that they had been keeping on this effort since 2004, some of which would have been extremely useful in ZATAC's quarterly reports to explain the partnership better and challenges being faced. This was a missed opportunity.

CROPPING SYSTEMS AND FOCUS FOR IMPROVED PRODUCTIVITY, NUTRITION AND HOUSEHOLD ASSETS

Following the format of the SO 5 framework, itself, a review is made below on general results within each of the intermediate results of the project. The ZATAC program over the past few years is quite instructive in the approach it has taken to four completely different models for organizing production activities and marketing commodities.

1. Initially, ZATAC worked with farmer commodity out-growers in widely scattered cooperatives within the Copperbelt- with the focus on paprika, honey, and coffee production linked to specific marketing firms.
2. The Makumbi Farm, with its irrigation system, was a good example of the issues involved with a communal system of management, with ZATAC's efforts to move them towards a privatization model of operations.
3. The Chibote Cooperative from the outset followed a more private sector driven approach of individual ownership and management of resources, with the cooperative supporting input and marking needs, and management of the irrigation system. The unvisited Lukoshi Cooperative and its irrigation system follow this model as well.
4. The 17 Copperbelt youth entrepreneurs with their wide range of targeted activities focused more on competition for the privilege of receiving business training and loans for their business plans. These small business ventures, seven of which the evaluation team interviewed, were either solely owned or owned by not more than two or three individuals, and had plans for expanded employment of others as their business grow.

¹⁰ The evaluation requested that ZATAC place its data into the table format, as given in Annex 1. Until this time, ZATAC has not been reporting in this way, but using the spreadsheet tables, as shown in the second portion of Annex 1, as well as filling out an Excel table given by USAID for all the indicators USAID was monitoring. ZATAC would add information into the places to which they were contributing. The problem with this, as noted elsewhere, is that this table was created in 2004 by USAID, and did not evolve to reflect the evolution of project activities, or of new commodities being worked with, and others dropped.

BENEFICIARIES TARGETED AND VALUE CHAINS

IR 5.1: Increased Access to Markets

In seeking increased access to markets for the targeted cooperatives, ZATAC first had to address the under-developed markets that limited production at these sites. Issues of which commodities would be the most strategic and competitive for specific clients, volumes and scale of production to economically meet market demand, ability of cooperative members to increase the productivity of their fields, and management structures, including financial management and accounting (business plans) had to be addressed. Bananas, dairy and vegetables production were newly introduced at Chibote, as well as bananas, vegetables and groundnuts at Lukoshi. In leveraged partnership with Mopani Copper Mines Plc, vegetables, pigs, dairy, and poultry enterprises were newly introduced at Makumbi in addition to the maize and bananas that were initiated during Phase I of the project. During the 3-year period of Phase II, 5,052 jobs were created (from a 2007 baseline of 838 carried over from Phase I) for the smallholder producers and their workers, while \$180,463 was earned by the smallholders and their cooperatives through sales of bananas, vegetables, milk, groundnuts, eggs, maize, fish and pork.¹¹ As a result of the project, 2,427 smallholders delivered these products to new markets.¹²

All three ZATAC-COI supported irrigation sites at Makumbi, Chibote, and Likoshi have benefited from being linked to Parmalat, Zambia's largest commercial firm for commercializing milk within the country and regionally. The evaluation team's visit to the Parmalat regional representative in Kitwe found that Parmalat has become strongly interested in supporting the smallholder dairy farmers of the Copperbelt. Parmalat has also started to become active during the past couple of years in providing some of the needed technical support to these farmers so as to raise their milk productivity and to safeguard the health of their growing herds. They are also looking at supporting the need for artificial insemination and/or synchronization. Starting at essentially zero only a few years ago, this Parmalat regional dairy is now processing about 500,000 liters/milk each month, purchasing between 20%-25% of this total volume of milk from smallholder farmers like those of Chibote and Makumbi. This percentage is also expected to increase significantly in the years to come. In addition to milk sales, significant sales were also achieved for banana and vegetables as well. Attachment 2 also shows an income statement, prepared with PASTEL accounting software introduced by ZATAC for Makumbi Farm for the period August 1, 2009 through July 31, 2010, their last fiscal year with a net operating loss of 37,478,183 K (or about \$8,000).

Parmalat's general manager brought to our meeting his records of Parmalat's milk purchases from the Chibote Cooperative for the last three months, which have grown from 645 liters/month in September 2010 to 1,249 liters in December, with butterfat milk content of 3.63%, considered very good. Attachment 4 gives some examples of records of Chibote Cooperative milk sales to Parmalat and of milk production levels for April – December 2010, as well as milk production levels for April 2010 per individual farmer.

Not all milk produced is sold to Parmalat; some is consumed domestically, and some sold as sour milk locally. All the milk delivered has also been of Grade A, receiving the highest price offered by Parmalat. The manager noted that they have greatly appreciated the groundwork accomplished by ZATAC in helping these farmers

¹¹ From a baseline of \$36,090 carried over from Phase 1 of the project in 2007.

¹² From a baseline of 608 carried over from Phase 1 of the project in 2007.

to become organized and to receive their first cows. Parmalat has itself taken the initiative to locate two 2,000 liter cooling tanks that have stood unused at a defunct communal dairy farm (Three Rivers Farm). The owners are prepared to rent these tanks to Makumbi and Chibote, and Parmalat is also willing to split the cost with the cooperatives of moving these tanks to a location near these cooperatives where electricity is available.

Makumbi Farm has not yet been able to deliver to Parmalat because of transport problems and not having a cooling tank to cool and aggregate their milk for every other day pickup. The cooperative has not had any difficulty, however, in selling their existing milk on the open local market, although there are only 9 milking cows producing a little over 100 liters/milk a day, not quite the volume needed to justify regular Parmalat pickup. With the additional cows that are expected to be delivered by ZATAC within the coming months through the USADF program, combined with the existing milking cows on the private plots of land of cooperative members, and with the increasing existing herd (which is currently communally owned), production is expected to easily reach the minimal 250 liters/day needed to justify Parmalat expense of pickup every two days from a cooling tank (mentioned above). Sales (about \$4,146) of eggs, banana, vegetables, fish and pork have been significant (see Attachment 2) through the income statement for the 9 month period between April 1, 2010 and December 31, 2010, with eggs, milk, and banana reportedly being the top cash earners. However, looking at the balance sheet, we see that total sales, less expense, only led to a net profit of 1 million Kwacha or \$217. Further review of their books also shows that sales have decreased since then, with the last month showing a loss of \$6,573.

According to Parmalat, the market for fresh milk is still very strong, and growing, with very important regional markets that can soon be targeted. The recent ‘dumping’ of milk powder into Zambia from Kenya and elsewhere caused a brief period in which milk prices dipped, and this is a policy issue that needs to be addressed more completely by ACF and the GRZ. Parmalat has initiated a new system of what they refer to as ‘milk supply budgeting’ in which they ask suppliers to estimate the volumes of milk to be delivered during the coming months of the year so that better planning can be done for processing and marketing.

In summary, ZATAC has indeed increased access to markets for a wide selection of commodities for beneficiary smallholder farmers, experiencing brisk sales. Banana coming from Makumbi Farm, for example, are all sold within several hours of delivery, and all egg trays are delivered every couple days to one Kitwe site: the hospital.

IR 5.2: Enhanced Value-Added Production and Service Technologies

Key to achieving this objective, ZATAC Ltd. had to address how to increase farm and firm level productivity so as to increase overall productivity. Through the project, 131 smallholder producer households have gained access to irrigation permitting year-around production of a range of the new crop commodities mentioned above. Zero-grazing dairy for milk production, and linking smallholder farmers to Parmalat has led to significant increases in household level incomes; cooperatives associated with these efforts have successfully been able to partner with Parmalat in co-sharing the cost of placing two 2,000 liter milk cooling tanks at milk collection sites (with electricity) where Parmalat may collect milk every two days – a key achievement in service technologies.¹³ Vehicles for transportation of fresh milk, egg production and high-value banana

¹³ The pre-existing predominant capabilities and significance of ZATAC and LOL should be recognized. Both continue to play an important role in developing dairy enterprises for both group businesses, like the Makumbi Farm, and private limited companies.

production (with cooperative owned ‘ripening silos’) for local markets has also permitted greater access to local markets, including the on-demand sales of fish and pork to these same markets. All these represent important new income streams for these farmers and increasing the value of their production.

Efforts during Phase I and during the first year of Phase II to increase paprika and honey production throughout-grower schemes failed when the firms concerned failed to meet their commitments to purchase these commodities. So the indicator (# 10 in Indicator Table, Attachment 1A) measuring value of value-added and processed production linked to these firms did not meet the anticipated production targets set. Another reason for missing intended targets of credit disbursed was the unintended consequence of what appears to have been a misunderstanding between a USAID financial field audit of ZATAC in 2009 in which the use of project funds as loans (instead of grants) was raised. This situation is briefly touched on below in section 4.5.

ZATAC supported smallholder farmers linked to the irrigation schemes and youth enterprise development efforts have been successful. This is so because of project assisted linkages to commodity markets; these include visits from Parmalat regional dairy processors as well as their veterinarians to look at issues of animal health, instructing the smallholder dairy farmers about hygiene issues, proper milking procedures and providing milk testing kits. Plans are also in place to begin supporting farmers with artificial insemination (AI), so that herd sizes will increase and keep the cows milking, and producing one calf each year, and not a calf each 1.5 years or longer, which is often the case.

IR 5.3: Increased Access to Financial and Business Development Services (BDS)

In Phase II of the Copperbelt Outreach Initiative, 30 smallholder enterprises (SMEs) had their capacities enhanced through business development services (BDS) that included the development of business plans and implementation support, business, financial and technical training and improved financial management systems. Including the 17 youth empowerment activities (Table 3 below), 30 smallholder enterprises accessed credit of \$626,034 to expand their businesses, exceeding project targets.¹⁴ With respect to the number of smallholders accessing credit, ZATAC, starting at a baseline carry-over of 19 smallholder households at the end of 2007 achieved a growth in this number to 377 households.¹⁵ While significant in itself, it was nevertheless only about half of what the program had hoped to achieve by the end of FY 2010.

With respect to ZATAC’s ability to leverage new funding and service support to targeted cooperatives, for example, CARE International and Barclays Bank extended financial support for electric power to be provided to the Chibote and Lukoshi irrigation schemes by the Zambia Electricity Supply Corporation. Kalulushi and Mufulira Municipal Councils provided in excess of 1,600 hectares of land for smallholder agricultural production, while Mopani Copper Mines Plc invested more than \$1.2 million dollars to support the Makumbi Farm Cooperative Society. This went for land clearing, land demarcation, water harvesting through repair of

Linkages of milk collection centers to Parmalat, FINTA Danish Dairies, Dairy King, Diamonddale, etc. were being facilitated by ZATAC and LOL from as early as 2000.

¹⁴ This from a baseline carried over from Phase I of 7 SMEs and a total of \$14,750 of support capital distributed in 2007, representing a significant expansion in efforts during Phase II of the program.

¹⁵ Annex 1B, indicator 1.13.

an old dam, irrigation, a generator for energy, transport, infrastructure development, agribusiness and other technical assistance as well as provision of agricultural equipment.

The US African Development Foundation (USADF) is investing in the development of dairy enterprises, providing 17 in-calf dairy cows to 17 smallholder farmers at Chibote and Makumbi Farm Cooperatives as well as providing them with capacity building enterprise development services. USADF intends to increase support through the development of milk collection centers for these two cooperatives in 2011, as well as greatly increase the dairy cows available to the farmers. These initiatives, in their turn, have encouraged Parmalat, the most important buyer of fresh milk in the region, to be willing to itself cost share with two of these irrigation cooperatives to place milk cooling tanks to which they had access in locations that would permit every-other day collection of milk – thereby creating new milk collections centers of direct benefit to these cooperatives.

During FY 2010, ZATAC Ltd., through the USAID funding to the COI, also provided the coordination and technical services in providing opportunities for Copperbelt youth (under 30 years of age) to compete for a limited pot of loan resources to either launch or expand their existing small business enterprises.

In summary, the evaluation team found that ZATAC Ltd. efforts, in spite of some obstacles and challenges faced, have achieved some very significant impacts on increasing smallholder farmer productivity and incomes.

IR 5.4: Improved Enabling Environment in Growth

For the evaluation team, addressing the issue of improving the enabling environment to achieve growth and the increased competitiveness of Zambia's private sector must be seen from the perspective of long-term sustainability of program efforts. If efforts are not sustainable, then improving the enabling environment in the short-term will come to nothing in the long term. So a key issue appears to be linked to the question of sustainability. In the context of the USAID/Zambia SO 5 goals and objectives for the ZATAC program, sustainability needs to be considered at two different levels: (1) the micro-level: at the Zambian specific smallholder enterprise and small firm level and (2) at the macro level: sustainability of development effort facilitation through building strong local, Zambian private institutions capable of themselves advancing efforts at the in-country micro-level.

The Copperbelt Outgrower Initiative Phase II has contributed substantially to improving the enabling environment for economic diversification through public and private partnerships with the municipal councils of Kalulushi and Mufuilira. A total of 1,673ha of virgin land for smallholder agricultural production has been contributed to Chibote Multipurpose Cooperative Society (240 Hectares), Akabangile Multipurpose Cooperative Society (150 Hectares) and Makumbi Farm Cooperative Society (1,313 hectares). The new partnership between Parmalat and two of the cooperatives assisted during the ZATAC-COI USAID/Zambia funded program to cost-share the delivery and rental of two milk cooling tanks is another good example of enabling a local Copperbelt dairy industry for both a Zambian firm and its smallholder milk suppliers.

During COI Phase II, the program focused on developing three agri-business centers in Chibote, Lukoshi and Makumbi. 120 Hectares of land were successfully equipped with overhead irrigation systems in Chibote and Mufuilira, benefitting 706 household members, including 167 orphan dependents. Of the total 160 smallholder households (29 in Chibote, 29 in Lukoshi and 102 in Makumbi) that have gained access to

individual parcels of land, a total of 1,449 household members are being impacted. Of this number, 901 are children, of which 179 are orphans¹⁶.

In conclusion, the ZATAC program has been very successful at both micro and macro levels in improving the enabling environment for private sector *Zambian* firms to become more competitive and grow.

IMPROVED ECONOMIC AND FOOD SECURITY FOR SMALL HOLDER FARMERS

Including Women and Reduced Poverty

When the COI project was initiated in 2004, it was projected that by the end of the project smallholders targeted by the project would see their net incomes increase by about \$1,000/year, and that by EOP “*4,000 smallholder households will be engaged in high-value production benefiting 24,000 household members*”.¹⁷ As it turned out, with the loss of the first agricultural season, and the collapse of the paprika (Cheetah Zambia) and honey (T&C Environment and Development in Zambia) firms providing the outlet for extensive out-grower schemes that had been set up by ZATAC, the final achievements in terms of total households impacted was significantly less than intended. Paprika sales through Cheetah Zambia were expected to provide opportunities for large numbers of farmers, and this was true for honey production as well.

According to the most recent PMP output indicators on this subject, only 2,461 smallholder households with an estimated 15,000 household members have continued to be supported through the life of the project, and continue on today beyond the life of the project as well. This represents about 9,000 household members less than initially projected. This number probably corresponds fairly closely to those lost households affected with the collapse of the paprika and honey commercial marketing firms associated with the project. On the other hand, net incomes of those households which **did** benefit from program activities did increase to about \$1,612/household/year, from a baseline of \$286/year in 2007, which significantly exceeds the project target of \$1,000 and represents an important contribution to reducing poverty among targeted households.

With respect to the youth entrepreneurship program initiated in 2009, the household incomes for this program will far exceed this amount as well, though the actual figures will not be reported until the end of the current fiscal year. Indicator tracking data for most of ZATAC’s data sets do not show how many women were involved in the 2,461 households supported, but interviews by the evaluation team among the households within two of the three irrigation systems showed that many of these households were women led, included large numbers of children, over half of whom were HIV/AIDS orphans; household sizes were greater than the average of 6 people/household used to estimate numbers of actual people involved. We found that many households had over ten people per household, many with 16, or 18, most of whom were children under 18 years of age. This suggests that had ZATAC actually done a better job of monitoring actual household composition of the program impacted households, that the actual number of people impacted could quite easily have exceeded the 24,000 initial targets for the project.

¹⁶ Source: Submissions from the Cooperatives

¹⁷ COI PMP, October 2004 – September 2007, p.3.

Economic and food security for these smallholder households has certainly been attained over the life of the project and moved these people out of poverty (defined at less than \$1/day/household).

MOKUMBI FARM COOPERATIVE SOCIETY LTD:A MOPANI COPPER MINES PLC. (MCM) INITIATIVE

ZATAC's Copperbelt Outreach Initiative's principal activities included activities to help support the social outreach efforts of the copper mines in the region. Mopani Copper Mines Plc undertakes a broad range of social support activities to communities in which they work, including two hospitals, schools, and multiple other services. A corporate brochure states: "*As a way of ensuring post-employment livelihood for former employees, Mopani facilitated the acquisition of 1,300 hectares of land which is being developed for former employees in Mufulira. A similar project will be replicated at Nkana once the Local Authority avails land to Mopani.*" The Mopani Copper Mine, currently employing about 14,000 employees (was 19,000 several years ago) initiated efforts through the Association for the Welfare of Former Miners in Zambia (AWFMZ) to help unemployed miners in the Kitwe and Mufulira areas to secure land for the use of former miners interested in earning a living from all year round mixed farming activities. With the fall in copper prices some years ago, Mopani Copper Mines noted that they lost more than 4,000 employees – with regional numbers exceeding 20,000. Initiated in October 2004, at the Mokumbi Farm, 1,300 hectares of land were set aside for some 107 ex-miners and their families, widowed wives of miners, or others to create an agricultural cooperative.¹⁸ Their names were forwarded to Ministry of Lands to receive titles for 2 hectare plots of land each. In 2004, this land was undeveloped, un-cleared forest land.

The Mopani Copper Mine (MCM) has poured in significant investments on behalf of the initial member households who became the first targeted beneficiaries. Because the farm is about an hour's drive, over a broken down paved road, without access to the power grid, investments included a generator to operate the irrigation systems put into place, tanks of water, tractors and trucks to plow the land, move produce, and many outbuildings for the cows, pigs, chickens, and cooperative offices. Since 2005, the Copper mine has put in some \$1.2 million of equipment investments, including paying the salaries for the initial farm manager, and all operating costs. Actual investments were, according to the Mopani Corporate Affairs manager we met with, closer to \$1.5 million, and 'off-the-books' continuing assistance is still taking place. Initial efforts wanted something big and dramatic, but these were people who had never farmed before, and some of the initial equipment inputs given are now recognized by Mopani Mines' corporate affairs office as probably far beyond the means of the recipients to realistically manage and maintain (recurrent costs of maintenance) with income generated. MCM expressed their enthusiasm that ZATAC could provide the technical support to this effort, helping in creating a business plan for the farm, focusing on the correct means for managing the various animal and crop resources that would represent the income from which these 'new farmers' would build new lives. MCM desired to wean the farmers from dependence on their assistance, and such assistance largely ended in 2009, with the formal transfer of equipment taking place on July 15, 2009. Once used to

¹⁸ In their notes about the initial list of people registered to receive 2 ha/each of land, Mopani Copper Mines notes that the list was created based on the following criteria: "*former employees who are members of AWFMZ – Mufulira Branch; widows of former employees who are registered with AWFMZ, and orphaned children of employees who died in mine accidents and are registered with AWFMZ*" (February 24, 2004, mine memo). More than 200 former employees wanted access to this land, but MCM wanted to limit initial membership so that income earned would not have to be divided too many ways.

getting their equipment repaired by MCM, or filling their vehicles at the MCM petrol pumps, the removal of this assistance was a wake-up call for the cooperative, clearly evidenced in the financial accounts.

Over the course of the project, ZATAC was able to leverage additional funds from the US African Development Foundation for additional support for Mukumbi Farm, including the purchase of additional animals (dairy cows, supporting some of the costs of employed farm personnel, establishment of accounting systems as well as other focused activities within the region outside this particular farm. An examination of income sources (and cost centers) for Mukumbi Farm show poultry (focused on eggs), dairy, pork, maize, vegetables, honey, fish, and a few other items (see income statement in Attachment 2). To receive ZATAC support, the cooperative had to agree to a business plan, that has at its core the intention to move the farmers of this Farm from a communal management structure towards private ownership of assets with the cooperative focusing on inputs, sales of bulked commodities (milk, eggs, banana in particular) and services for marketing produce or obtaining needed inputs. The cooperative currently has communal ownership of 36 cows (9 now milking), about 425 laying hens now giving 5 trays/day of 30 eggs (\$4.30/tray). The cooperative employs 5 people: farm manger, accountant, farm assistant, sales lady at cooperative shop in town, and herdsman costing about \$1,064/month, against about \$4,680/month of income. The problem for the cooperative comes when one considers the operating costs, which includes equipment repairs, fuel costs, etc. Their major constraint is lack of electricity from the power grid, requiring a diesel generator and expensive fuel costs for pumping water, and also the need for a cooling tank for milk (to permit Parmalat bulk pick-up) – a solution that is now being offered by Parmalat/Kitwe.

The most valuable commodities produced by the cooperative, in order of profits, are banana, poultry/eggs, and pork. As the number of cows' increases, fresh milk will certainly be counted among the most important sources of income for the cooperative. Only ten farmers currently have their own milk cow to date (supplied by ZATAC through USADF support), with cooperative's communal herd at 36 cows.

Over the years since the project's beginning, active members within the cooperative have dropped from the initial 107 households, representing some 530 people to 94, with 34 of these being woman-led widowed households.¹⁹ Each farmer has been given their own 5 hectare plot of land on the farm (recently increased from 2 ha.), but only some of the households have actually moved to the farm, preferring to commute back and forth on an MCM supplied bus when farm activities take place (this service has been now ended). Most of the production of the farm is done on the 800 hectares of land initially cleared and plowed by the mine for the farmers, 600 ha. of which is for communal use, and 700 ha reserved for 5 ha. plots for members. Of this land, currently only a small portion (about 28 hectares) are actually being used for cooperative activities (maize 8 ha. – down from 35 hectares in the 2005/6 season, banana 7 ha., vegetables 5 ha., forage for cows 8 ha.). Labor on cooperative crop fields is supposed to be done 'for free' by farmers members, while some residents earn a nominal 'incentive' for various tasks around the farm, such as cleaning and feeding the various animals, gathering eggs into trays, milking cows, planting, managing, and weeding fields. These incentives are often paid 'in kind' from the commodities produced.

Though the evaluation team only spent a day visiting the farm, a number of observations quickly became evident. The Mopani Cooper Mine (MCM) is no longer active in supporting Mokumbi Farm – believing it is

¹⁹ When asked for the actual numbers and composition of these households, the cooperative chairman did not know, only saying it was an average of "5".

time for them to manage it on their own. The farm looked un-kept, banana fields were not weeded, while a banana plot of private farmers was clean of weeds. The farm has found it difficult to get farmer 'owners' of the cooperative to undertake the work of the farm; equipment looked broken down and rusted. On the positive side, there was a good number of what appeared to be well kept sows and piglets, two chicken houses of laying hens, a small herd of mostly Jersey milking cows, of which 9 were being milked while we were there. There were fields of maize, banana, some vegetables and fish in the pond.

A review of the financial statements of Mokumbi Farm showed that farmers have never received a dividend from cooperative sales of commodities. Beneficiaries' only income from this Farm venture is from whatever they are able to obtain from their own plots of land, and only a few actually have such active plots. Though close to receiving actual titles for their 5 hectare plots, this still has not actually been completed. Cooperative members have voted overwhelmingly to move to a private model of management, and away from communal ownership. But, this has not actually happened yet either. The Chairman insisted they were only 'a month or so' from a move to privatization of the farm. Yet, it was clear that other members of the board we met still want to retain the cooperative as the managing 'owner' of 'their' cows, pigs, chickens, etc. and NOT divesting the cooperative of these assets to their active members for their own private management/ownership. Financial records show that during the last fiscal year, the cooperative barely broke even (1 million K). And, according to MCM, if real costs of operations were included, the cooperative would be 4-5 million K in the hole. For the 9 months of the current fiscal year, they are already operating at a 30 million Kwacha loss. These figures would be much worse than this if the farm had been paying for the technical services being supplied through ZATAC. Though banana are one of the most profitable cost centers for the farm, acreage has been dropping from year to year because of broken down equipment that the cooperative can not afford to repair.

ZATAC-COI quarterly reports to USAID show volumes and values of commodities from this farm and aggregated with data from the other two irrigated perimeters to give the results of these reports. The last report submitted (Year 3, annual report, October 2009 through September 2010) shows that some 1,500 farmers within the Copperbelt have benefited from USAID input over the years, with year three total production results of \$549,375, giving an average of \$1,485 per farmer. This figure, however, is misleading. For Makumbi Farm, what this figure actually means is that the bananas, milk, eggs, paprika, vegetables, honey sold (total sales) by the cooperative was divided by the number of households (say 97), with the average value given (without taking into consideration the costs of production). This is what the cooperative earned from sales, but is not what farmers themselves actually received. Nor did the project actually monitor household level incomes from the activities on their own plots within the farm – income reported is only that from the cooperative communal land. And as we have seen, the income coming in just barely covers the expenses going out, and the current year income does not cover costs.

To know actual impact, ZATAC would need to have undertaken a baseline survey at the beginning of the work on this farm, and then a quantitative survey at the end to see how targeted farmers actually fared from the massive investment from not only the Mopani Copper Mine but also from USAID/Zambia and other donor funding. We are not saying that there was no impact, only that it has not been measured. We suspect that impact has been minimal, and that only a few key people within the cooperative management structure have actually benefited. Indeed, ZATAC encounters with non-management members of the cooperative affirm their suspicions that the reported official figures of sales are not the complete truth. There are real valuable assets at this farm, but these could be lost if efforts are not undertaken quickly to implement the business plan that ZATAC has put into place and to which members agreed upon. Movement on this is going slowly, however.

CHIBOTE MULTIPURPOSE COOPERATIVE SOCIETY

ZATAC efforts within the Chibote Cooperative, with 60 households, began in 2004 at the invitation of CARE International which was about to withdraw from this community after some years of effort within the education sector. Because of a year-round small stream capable of irrigating high value crops, interest was expressed by the community to obtain access to the land along the stream. A survey showed that there was good potential, if electricity could be brought to the site. Prior to leaving, CARE invested in the costs associated with bringing power lines to the site, with the understanding that ZATAC would assist the local farmer cooperative to obtain rights to this land and provide the technical support, business management skills and identification of viable markets for commodities that could be grown here. After a failed initial effort with coffee seedlings, paprika, and chili peppers the first year, the focus was redirected towards banana, vegetables, and milk (dairy cows). A copper mine smelter is located near Chibote, and prevailing winds blow smelter emissions over this area, resulting in highly acidic soils from sulfur.

ZATAC has helped these farmers to be provided 240 hectares of land along the stream, 60 hectares of which are currently capable of being irrigated with the irrigation system paid for by USAID through this ZATAC project in the 2006/2007 season. In the next season, two hectares were placed with banana suckers, and these have flourished and permitted further expansion to an additional 15 hectares on the personal 2 hectare plots of each member of the cooperative. Unlike the Mopani Copper Mine program above, this irrigation perimeter was, from the start, based on private ownership of the majority of the cooperative land, with individual titles eventually expected to be received from the Land office. The goal of the cooperative is to have a total of 30 hectares under banana by 2011, 6 hectares of which would be for generating income for the cooperative itself.

In addition to the irrigation system itself (costing about \$120,000), ZATAC has provided technical assistance in cultivating the cooperative's banana, vegetables, and dairy assistance, which has been leveraged with USADF funding. As with the Mopani Makumbi Farm, many of the households are led by widows, eight of which were present during the evaluation team's interviews. One widow spoke to us of her own 8 children and 8 orphans that live with her, and the dramatic impact of the increased household incomes from both the banana and dairy. Most of the women noted they sold almost all their milk, keeping little for household consumption 'because we need the money'. The evaluation team was surprised by the large numbers of children in most of the cooperative households – between 11 and 14 children per household, half of whom were orphans. Many households reported consuming 1-2 liters/day for those who had received the 6 existing cows (now with 6 calves). They are not passing on calves to other farmers. ZATAC, with the leveraged USADF funding, intends to bring in 40 more in-calf cows for further distribution among the households. Parmalat already has begun to purchase some of their milk. Banana was seen as the #1 money earner of the cooperative, with great hopes for milk as the animals increase in numbers. The cooperative takes 10% of sales for cooperative produce, but 30% for milk, to cover costs of health services and marketing costs.

The water distribution system seems to be working fairly well, without too many issues. One of the three pumps is broken down from the sand that got into the system when stream levels were low this year, but efforts are being made to repair this at their own cost; ZATAC will not do this for them, which is good.

When we asked why their cooperative is important to them, answers included the cow brings in income; the cows gives dung for my vegetable garden and for the maize field, she now has money for the school fees of her children. We used to scrounge for food to eat; now we can eat three meals a day. Asked about increases to income, farmers said that the average 50,000 Kuacha they used to earn each month has now increased to between 300,000 – 400,000 K, a seven-fold increase since 2004.

The evaluation team was surprised to learn that the cooperative did not have a list of all their members, with the numbers of people in each household. A CARE survey in 2004 left sheets on each member, but this information was never put together as a report. The cooperative has the ability to put their information on a computer, has a printer, but with the departure in May 2010 of their accountant (when money for salary ran out), data entry ceased being put into the Pastel software Accounting System that ZATAC had provided training for. The cooperative has returned to manual book keeping, and this appeared satisfactory for the cooperative managers to track income from sales and expenses.

YOUTH ENTERPRISE PROGRAM, THE YAPYA-COI PROJECT

In 2009 ZATAC Ltd. partnered with the YAPYA Youth Investment Trust of Zambia (supported by the US African Development Foundation and the ImagineNations Group) in the empowerment of young entrepreneurs on the Copperbelt to further scale up economic diversification. In a number of Zambian languages, YAPYA means “ripening” or “on-fire”, and implies something existing and ‘ready to go’. USAID COI Phase II funding played a lead role in screening and selection of eligible youth-led businesses and in providing business plan development and accounting training support. As a result, the 17 selected broad-based youth owned and operated enterprises on the Copperbelt have benefitted from business development services and accessed credit exceeding \$626,034, to expand their businesses, and 214 new jobs have already been created as a result. At least half of the owners of these enterprises were women. The evaluation team met with seven of these (highlighted below in Table 3), and was very much impressed with the vitality of these small businesses, the clearness of vision for what needed to be done to succeed, and the seriousness with which they seemed to take their business plans and obligations for loan repayment.

For each of them, the understanding is that with a good loan repayment history they are developing for themselves they will more than likely be able to get ever increasing loan amounts to support what they expect to be their expanding businesses. Of the business sites visited, six of the seven small businesses are most certainly likely to meet, if not exceed, their income projections. Most are already beginning to see significantly increased sales as a result of the infusion of loan capital into their businesses and the use of improved equipment for greater processing speed and efficiency. Overall, \$626,034 as spent on loans to the 17 youth SMEs shown in Table 3, while an additional \$340,295 was spent on ZATAC Ltd. business development technical services to them in 2009 and 2010, bringing total expenditures on loans and TA in 2009 and 2010 to \$966,329. A brief summary of the youth entrepreneurs visited is given in Attachment 5. Business plans are confidential documents; we would have liked to share one of these in an annex but felt this was not appropriate. However they are all generally well-conceived.

Table 1. Youth SME Investments, YAPYA-COI PROJECT LIST

	Business Name	Sector		District	Gender	Jobs created	Amount K	Amount USD
1	R K Aqua Company Limited	Agriculture / Aquaculture	Copperbelt	Luanshya	M	3	133,000,000	\$ 28,000.00
2	Adorable Hair salon Company Limited	Body Care / Hair	Copperbelt	Chililabombwe	M	10	100,000,000	\$ 21,052.63
3	Chikwa Enterprises Company Limited	Agriculture / Floriculture	Copperbelt	Kitwe	F/M	7	200,000,000	\$ 42,105.26
4	Country Cottage Meat Supplies Company Limited	Agro-processing / Beef	Copperbelt	Ndola	FF	111	264,593,380	\$ 55,703.87
5	Dajoy Manufacturer Company Limited (Auma)	Energy / Heating	Copperbelt	Ndola	M	5	200,000,000	\$ 42,105.26
6	Elshadai Knitting World Company Limited	Agro-processing / Textiles	Copperbelt	Mufulira	FF	3	67,700,000	\$ 14,252.63
7	Exclusive Pearls Company Limited	Agriculture / Floriculture	Copperbelt	Luanshya	M	3	50,200,000	\$ 10,568.42
8	Hematite Agriculture Company Limited	Agriculture / Aquaculture	Copperbelt	Ndola	M	4	164,620,000	\$ 34,656.84
9	Mandy Fast Foods Zambia Company Limited	Food / Catering	Copperbelt	Kitwe	F	4	195,000,000	\$ 41,052.63
10	Okao General Dealers Company Limited	Forest Products / Wood Processing	Copperbelt	Kitwe	M	7	130,000,000	\$ 27,368.42
11	Orions Constructions Company Limited	Construction	Copperbelt	Kitwe	M	8	197,995,000	\$ 41,683.16
12	Rafeswa Investment Company Limited	Manufacturing / Steel Fabrication	Copperbelt	Kitwe	F	10	161,400,000	\$ 33,978.95
13	ShenguK Investments Company Limited	Forest Products / Wood Processing	Copperbelt	Kalulushi	M	11	203,000,000	\$ 42,736.84
14	Super Agricore Zambia Company Limited	Agriculture / Aquaculture	Copperbelt	Ndola	M	8	295,694,695	\$ 62,251.51
15	Treasury Lands Dairy Farm Company Limited	Agriculture / Dairy	Copperbelt	Ndola	FF	4	254,310,000	\$ 53,538.95
16	Vyandel Enterprises Company Limited	Food / Marketing	Copperbelt	Kitwe	F	3	100,000,000	\$ 21,052.63

17	Zambian Tea Packing Company Limited	Agro-processing / Tea Packaging	Copperbelt	Ndola	FF	13	256,150,000	\$ 53,926.32
	Total					214	2,973,663,075	\$ 626,034.33

Key

FF 100% Female owned
F Majority shares female
F/M 50:50 Male / Female
M Majority shares Male
Exchange Rate Zmk/USD 4750

An example of one of the tables' common to all of these business plans is given below in Table 4. ZATAC and the concerned entrepreneur will be able to track progress of their expenses and net profits from quarter to quarter, year to year, and will provide an excellent outcome indicator of the financial health of the enterprise during its evolution over time. A similar table in the business plan plots out the amount of money the enterprise must pay back on its loan every quarter/year as well.

Table 2. A Profit/Loss Forecast within one ZATAC-COI Business Plan

	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Revenue					
Sales	628,000,000	1,374,400,000	1,649,280,000	1,979,136,000	2,73,963,200
Cost of Sales	352,000,000	718,200,000	825,930,000	949,819,500	1,092,292,425
Gross Profit	276,000,000	656,200,000	823,350,000	1,029,316,500	1,282,670,775
Gross Profit Margin %	43.95	47.74	49.92	52.01	54.01
Expenditures					
Administrative expenses	147,000,000	446,360,000	504,404,000	571,364,600	649,269,290
Depreciation	-	3,000,000	22,040,000	22,040,000	22,040,000
Profit before Tax	129,000,000	206,840,000	296,906,000	435,911,900	611,361,485
Tax Charge	45,150,000	72,394,000	103,917,100	152,569,165	213,976,519.75
Net Profit after tax	83,850,000	134,446,000	192,988,900	283,342,735	397,384,965.25

SUSTAINABILITY OF ZATAC PROGRAM EFFORTS IN THE COPPERBELT

As discussed above under section 3.1.4, ZATAC has improved the enabling environment for private sector growth and increased regional competitiveness through both micro and macro means. As noted, if project efforts are not sustainable, then improving the enabling environment in the short-term for program beneficiaries will come to nothing in the long term. So a key issue appears to be linked to the question of sustainability. Sustainability must be seen not only at the micro level of specific project interventions – which generally have a short life - but also at more macro levels of institution building within Zambia. One possible weakness of the SO 5 framework, as originally framed, may have been in not overtly addressing these two levels of the ‘enabling environment’ within the illustrative indicators for IR 5.4 ‘Improved Enabling Environment in Growth’. Indeed, the indicators developed for this component of the program were weak and do not say much about possible outcomes or impact. Indicators might have addressed the successful institutionalization, within Zambia, of specific program action areas, and policy level changes that take so much time to implement might have better focused on addressing the question of the ‘So What?’ of operational indicators like ‘numbers of policies identified or addressed’. ZATAC, for example, can objectively demonstrate that, as a private sector Zambian firm, it has been able to leverage funding from a number of both public and private sources to move its own business plan forward (cf. Table 3 below).

Creation of the Zambia Agribusiness Technical Assistance Center, Ltd.

This evaluation traces the broad lines of the creation of a new Zambian private sector led local business firm focused towards support to Zambia’s mushrooming opportunities in agri-business and supporting these

newly created groups to link to commercial markets. As ZATAC was to define its activities, their “*enterprise development support includes training in governance, production and business management, enterprise labor support, and the development of bankable medium term business plans by the supported cooperatives*”.²⁰

From ZATAC’s perspective, it views the enterprises it supports through their 50% interest in Development Finance Africa, Ltd., as their future clients for their financial services. This means that in the future, ZATAC will have an income stream that will not have to come directly from donors. This will help ZATAC to in fact develop the ability to launch development projects using their own resources, which will in turn grow through the continuing associated financial services it provides. This is the kind of sustainability that both Africa and Zambia desperately need.

While clearly touching on an issue we might well leave alone, the evaluation team in seeking to understand USAID’s SO 5 program contribution to Zambia in this ‘macro sense’, encountered a number of problematic issues related to sustainability. Three such issues had to do with the MIF discussed below, NICRA, and the 2009 USAID financial review. While we clearly did not have the time, or mandate, to penetrate such issues too deeply, they nevertheless deserve at least mentioning, because of their relevance to not only this specific project, but others that USAID/Zambia has worked with over the past number of years, and will continue to do so in the future. There are implications in this for the Feed the Future (FTF) initiative soon to be underway for USAID/Zambia.

While completely understandable from USAID/Zambia’s perspective, their request that ZATAC ‘hand over’ the MATEP Investment portfolio to a third party at the end of the MATEP project actually contradicts at some basic level the purpose for which the initial delegation of authority to ZATAC had in managing these funds. In one sense, ‘handing over’ any initiatives started by ZATAC Ltd. as a private Zambian business entity, to some other development organization actually undermines ZATAC’s own strategic motivation to be in business. Anything that literally ‘takes over’ the clients to ZATAC’s exclusion mitigates against their business model and ultimately undermines indigenous ownership and long term sustainability of the development initiatives themselves. In the ‘real business world’ companies compete for current and future USAID funding resources. This is a commercially driven reality that probably should be taken into consideration if an effective mechanism for enhancing collaboration, participation and sustainability of local USAID contractors in Zambia.

ZATAC has noted to the evaluation team that, as an organization, it takes:

“a long term view to enterprise development support that recognizes the need for heavy lifting in Zambia. Someone has to facilitate the development of the milk collection centers for example, the provision of dairy cattle, and training of farmers and the provision of on-farm equipment to farmers. It is only when these are in place that the simpler and less expensive task of linking a Parmalat or other service providers (as PROFIT has done so well) becomes profitable. Whoever one chooses to give the resources will be able to facilitate linkages to private sector service providers, which is perhaps the least expensive and least challenging aspect of value chain development facilitation.”²¹

²⁰ ZATAC Year 3, *Quarter 3 Report to USAID, April-June 2010, p. 3.*

²¹ Personal email communication between Dr. Swanson and Likando Mukumbuta, February 7, 2011.

ZATAC LTD. LEVERAGING OF RESOURCES TO SUPPORT COI FUTURE INITIATIVES

As further evidence of sustainability of program interventions, Table 3 below illustrates the phases of funding through ZATAC for the Copperbelt Outgrower Initiative since 2004, as well as ZATAC's ability to leverage other funding in support of the Initiative. Table 3 below represents USAID/Zambia COI Phase I and Phase II USAID/Zambia funding. Funding by USADF and the ImagineNations Group continues beyond 2010, while Mopani Copper Mines actually is providing 'off-the-books' continuing support as well. As USAID/Zambia support to ZATAC-COI has decreased over recent years, other donors have stepped in to carry forward to completion initial ventures and launch new ones. The table below illustrates well ZATAC's ability to bring in new partners to support on-going efforts to achieve sustainability of the enterprises being worked with within the Copperbelt. Over the past three years (FYs 2008, 2009, 2010) USAID/Zambia actual expenses for ZATAC-COI amounted to \$845,249, and non-federal leveraged expenses were \$844,809.

Table 3: ZATAC COI Partner Contributions (USD)

	2005	2006	2007	2008	2009	2010	TOTAL	% through Sept. 2010	% Since FY 2010
USAID	333,333	433,333	333,333	410,578	252,244	182,428	1,945,249	44%	21%
Mopani Copper Mines Plc*	549,872	152,250	165,959	165,959	165,959		1,200,000	27%	0%
US African Dev. Foundation					187,390	333,548	520,938	12%	43.7%
The ImagineNations Group*					187,390	258,000	445,390	10%	35.3%
Makumbi Farm Cooperative*						53,500	53,500		
Mufulira Municipal Council*	73,150						73,150	1.6%	0%
Coffee Quality Institute of the USA*	19,275	19,275	19,275				57,825	1.3%	0%
Kalulushi District Council*	47,000			9,000			56,000	1.23%	0%
Cheetah Zambia*	37,513						37,513	0.83%	0%
Care International	21,677						21,677	0.48%	0%
Barclays Bank	10,267						10,267	0.23%	0%
Zambian Fertilizers*	10,000						10,000	0.22%	0%
Sage Pastel*					5,000		5,000	0.11%	0%
TOTAL	1,102,087	604,858	518,568	585,538	797,984	827,476	4,436,508	100%	100%

- Non-Federal Funding

Nature of Contributions:

USAID	DAI and ZATAC project Management Costs, irrigation equipment, seasonal loans to farmers
Mopani Copper Mines Plc	Agricultural equipment, seasonal inputs, land clearing and damming costs, diesel
US African Dev. Foundation	EDI facilities for Chibote and Makumbi Coops; 50% YAPYA project management costs and youth business loans

ImagineNations Group	50% YAPYA project management costs and youth business loans
Barclays Bank	3-Phase electric power to Lukoshi irrigation scheme
Cheetah Zambia	Paprika seed credit to farmers and extension costs
Zambian Fertilizers	Organic fertilizer credit to farmers at Chibote
Care International	3-Phase electric power to Chibote irrigation scheme; soil analysis; crop suitability analysis
Mufulira Municipal Council	1,463Ha of land valued at \$50 per Ha
Coffee Quality Institute of the USA	Coffee quality expert volunteers from the USA
Kalulushi District Council	240Ha of land valued at \$50 per Ha; farm access roads clearing costs at Chibote
Sage Pastel	Contribution to youth investment workshops o the Copperbelt (Kitwe and Ndola)

GOVERNMENT OF ZAMBIA AND POLICY INITIATIVES

Though ZATAC management has been a stakeholder and participant in ACF and FSRP supported initiatives that seek to influence GRZ policies that affect the agricultural community within Zambia, it does not appear to have been actively engaged in influencing the public policy agenda or debates that have taken place in recent years.

ENVIRONMENTAL IMPACTS

Agricultural support activities in which ZATAC has been involved within the Copperbelt have been environmentally friendly. If anything, programs that have been supported in recent years have focused on bringing firms creating value-added products closer to the location of the natural resources needed for their fabrication. This is clearly illustrated by two youth lumber entrepreneurs who have moved the location of their sawmills out of the urban environment (Ndola, Kitwe) where most of these are located and closer to the special reserves and forests from which their timber originates. This is creating new employment opportunities for rural residents, while decreasing the transportation costs associated with moving timber from one location to another for processing into value-added products (furniture, smooth lumber).

CHALLENGES FACED, OVERCOME OR PENDING IN PROGRAM IMPLEMENTATION

COMMUNITIESTARGETED

As noted above, ZATAC Phase I and II program activities provided very interesting case studies of four very different target communities receiving technical support and training. These were: (1) scattered cooperatives with farmers growing paprika or having beehives for honey; (2) a cooperative which initially began communally owning all assets; (3) a cooperative where each household controlled most of their own land and production assets, with some communal assets for income generation, and (4) individually focused youth entrepreneurs covering a wide range of economic growth opportunities. Each different group confronted ZATAC with very different challenges; all however wished to increase their agricultural productivity and linkages to commercial private sector markets and all were provided help in creating business plans, establishing accounting systems, to do so. These challenges however permitted ZATAC to further refine its

own business approach to supporting farmers groups and cooperatives, resulting in a stronger program as a result.

Perhaps the greatest challenge faced by ZATAC was how to help each of these programs to focus on relevant commercial ventures and to then leverage the financial support received from USAID/Zambia towards other donors who would carry activities initiated forward to eventual success. As noted earlier, changing behavior and implementing successful development strategies takes time – many years of sometimes trial and error – before solid footing can be found and sustainable success realized. ZATAC has been highly successful in identifying such partners for continuing support to these ventures – support without which all would most certainly fail following ZATAC no longer having the resources to provide the needed support.

The paprika out-growers and farmers with hives for honey were to be found among widely scattered cooperatives throughout the Copperbelt. ZATAC was making good progress in attempting to dramatically scale up the numbers of farmers doing both, so that the volumes of paprika or honey produced would better justify economically the transport costs of bringing these products to market. As it was, ZATAC spent significant personnel time and financial resources (fuel) to travel great distances to help a few farmers make what amounted to an increase of about \$38 of additional income for the farming household. Beekeepers might be earning a mere \$66/year more through their increased sales. The economics of such an effort were bound to face challenges and eventual failure. The collapse of Cheetah Zambia, and the honey firm worked with (T&C Environment and Development in Zambia – EDZ), probably saved ZATAC from what most likely would have been possible failure because of distances involved, and the difficulty to achieve the volumes and sales required in achieving profits. As a lesson learned on how not to promote value chains and increase productivity, the experience was probably a good one for ZATAC. It helped to move ZATAC towards more realistic ventures, in more geographically defined areas where commercialization could be made to work.

The Makumbi Farm was essentially a farm with communal ownership of all the real assets of the cooperative, with the exception of the 5 hectare plots that each member has been designated to receive. Makumbi Cooperative has ‘privatized’ 5 hectare plots for each of its 107 members, for which title is currently being processed by the Mufulira Municipal Council. Owners of the cooperative were all ex-miners, or widows or children of ex-miners – most with little or no actual prior farming experience; but all with a desire to diversify their incomes through farming. Some farmers have begun to exploit portions of these plots in parallel with the communally owned and farmed land, hoping to get something from their jointly held communal assets (pigs, cows, banana, and chickens/eggs) and the expensive farm equipment/assets given to them by Mopani Copper Mines.

The Chibote Cooperative, on the other hand, began from the start as a cooperative where most of the cooperative land was sub-divided among its members with a private enterprise approach. Some land was retained to earn the cooperative some money, but the bulk of the commodities produced, principally banana, vegetables, and dairy for milk, came from the private holdings of the farmer members.

Finally, ZATAC initiated during the last year of its USAID funding in the Copperbelt a program for providing technical assistance and business loans to young entrepreneurs, less than 30 years of age, selected through a business plan competition process. Loans in the range of \$25,000 - \$40,000 were to be given out based on competition for the best business plans. Some 540 Copperbelt-based youth initially applied for what ended up being 17 young entrepreneurs being selected. ZATAC was able to leverage funding from the US African Development Foundation and The ImagineNations Group to fund the first set of loans. The initial

creative visioning for this program, however, - advertisements for the competition; the training of the first set of 200 Copperbelt semi-finalists to create 'concept papers' of what they wanted to do; and the final choice of the finalists, with support of ZATAC in the development of complete business plans and help for business accounting - all took place through USAID/Zambia ZATAC funding.

FUNDING AND THE APPRECIATION IN VALUE OF THE KWACHA

During Phase I, ZATAC experienced about a 30% appreciation of the Kwacha against the US Dollar. Planned purchases of some of the essential project inputs such as imported irrigation pumps and pipes became prohibitive, resulting in significant delays. Fuel prices in Zambia also jumped by about 300%. This caused significant problems for ZATAC up-country travel expenses in visiting the far-flung Copperbelt cooperatives participating in paprika and honey production. Finally, the late start-up of Phase I, with the signing of the first Cooperative Agreement on October 22, 2004 resulted in the loss of an entire agricultural season – impacting projected indicator deliverables. Unfortunately, the PMP was not being revised as a living document, and deliverables set at the beginning of the project remained unchanged. Targets should have been reset at this stage.

UNFORESEEN PROBLEMS IN CULTIVATING COFFEE AND CHILI PEPPERS

Initial attempts to introduce coffee and chili peppers as cash crops for several Copperbelt cooperatives met with early failure because of nematode infestations and the project's inability to find a cost effective solution to overcome this constraint. This led however to the introduction of vegetables and banana as cash crops which proved to be highly successful ventures that continue to this day. This experience was also linked to another lesson learned by ZATAC – of the importance of focusing on commodities that have a steady, year-around, income flow for smallholder farmers (like banana, milk production through dairy, eggs, vegetables, etc).

LACK OF ELECTRICITY TO POWER IRRIGATION SYSTEMS

Long delays were experienced by ZATAC clients receiving promised power lines to their sites from the Copperbelt public electricity company, the Zambia Electricity Supply Corporation (ZESCO) – resulting in drops in output due to delayed production. This also reduced the need for ZATAC to put out seasonal credit. Makumbi farm has never received this as the cost (and distance) is prohibitive, which has resulted in high costs for running and operating a diesel generator to power water pumping for the irrigation system, as well as water supplies for the cooperative's animals (pigs, chickens, dairy cows). Chibote irrigation perimeter waited for over two years to receive its power lines, which was only resolved when the Chief Executive Officer of ZATAC personally went to the headquarters of the public power company (ZESCO) and shamed and essentially threatened them into moving on this issue, otherwise the affair would be made publically known as an obstacle to the development of the country's resources. The lines then went up in a matter of weeks.

ZATAC INVESTMENT FUND (ZIF), MATEP INVESTMENT FUND (MIF)

ZATAC has faced significant challenges in the management of both of these funds over the past years. While not directly the subject of this evaluation, this is nevertheless related because of the learning process that took place institutionally, which led to the innovative creation of Development Finance Africa Ltd, a specialized for-profit but development-oriented financial institution that is now managing all of ZATAC's credit programs in addition to serving other clients on the open market.

During Phase I (when DAI was the project manager, and had subcontracted in-country project implementation through ZATAC), DAI also subcontracted ZATAC to manage the finance component of the USAID MATEP project that DAI managed from May 2005 to June 2010. USAID provided \$2 million to DAI for the MATEP Investment Fund. Through loan recovery and re-lending, the fund had grown to \$2.8 million by the close of the MATEP project in June 2010. Most of this money had yet to be recovered by the end of the MATEP project, and DAI recommended that both the assets of the MATEP project and the MATEP Investment Fund should go to ZATAC as well, since they had been managing this fund anyway. USAID/Zambia chose rather to auction off the assets of the MATEP project office to the general public and invest in identifying another organization to take over the management of the investment fund. USAID chose to transfer the Investment Fund to The Mitchell Group (TMG), wanting them to take over the recovery of the loans as well. However, because of Zambian laws that legally tied ZATAC (which gave out the loans and has the legal authority to collect them) to the clients with respect to titles and obligations of the Investment Funds loans given out, there was no simple legal way to actually ‘transfer’ the assets and debts of the clients to a third-party organization.

USAID, wishing to transfer the Investment Fund to TMG was unable to do so legally. Nor was ZATAC in a position to simply ‘hand over the portfolios of the clients’ to TMG because USAID wanted them to do so. This was both because of its own legal obligations and responsibilities made when initiating these loans as well as ZATAC’s desire to retain this portfolio as part of its business management strategy. To create the legal route for such a transfer to take place could take place, but would be costly (between 1.5% - 4% of the loan portfolio). And, furthermore, one would then still have to go after the loans that are currently in default. TMG would not itself have the legal authority to do so until these legal steps are taken.

USAID/Zambia has not been pleased with this situation, and has faulted ZATAC Ltd. for not simply ‘turning over’ the portfolio to TMG as requested.²² Yet this is not legally possible without taking the legal

²² MIF, like ZIF before it, was conceived as a development MIF risk fund with the objective of helping to develop export capacity in Zambia. The intention was NOT to substitute the commercial financial sector but to turn over companies that succeeded to commercial banks. This was the project design submitted by DAI to USAID in their proposal and which USAID approved and awarded the contract for. ZATAC was sub-contracted into this design. Mid-way through that project, it became clear that the clients were treating their loans as donor money, and were largely sitting out for the project to end – not paying their loans back. So ZATAC, as the sub-contractor entity managing this loan portfolio switched their program approach starting in 2008 (about the time Phase II of the ZATAC-COI was being launched) and collateralized all the outstanding loans – taking houses, land and other assets as security. This was a drawn out process and the lawyers had to be significantly persistent. By the closure of MATEP, ZATAC had collected back about \$800,000, of which about \$500,000 was re-loaned out to new businesses. USAID granted DAI \$200,000 in cash from the balance of the repayments for a two-month project extension, a total of about \$80,000 went to various legal fees and there currently remains about \$42,000 as cash balance. Through the legal securitization, ZATAC had turned a donor-driven investment fund into something sustainable with commercial value. There currently is just over \$2.4 million dollars out there that is now collectable because of ZATAC’s initiative and determination in securing these loans. Though ZATAC may be criticized for not collecting all the outstanding loans before the close of the MATEP project, this was never the focus of that capacity building project, nor were there performance indicators that indicated that this was something to be achieved by the close of the project. Rather, ZATAC should be commended for the possibility of recovering these loans and for developing an institutional framework positioned to sustain the development activities and objectives of the MATEP project even after the close of the project. It is currently not clear how the development objectives of MATEP will be sustained.

action necessary to allow a third party to replace ZATAC as the legal collecting agency. This situation has gone back and forth since August 2010, seeming to poison the relationship between USAID/Zambia and ZATAC-COI for no good reason at all, and having an impact on the implementation on the ZATAC –COI program activities under review. ZATAC, having itself been created through a USAID long-term program intervention, and becoming a respectable private technical support institution within Zambia, has found itself confronted with a dilemma not of its own choosing and with a donor it highly respects and values. This remains unresolved.

USAID ZATAC FIELD FINANCIAL REVIEW OF 2009; UNINTENDED CONSEQUENCES

During this financial audit, USAID staff asserted that it was not correct for ZATAC to issue loans to their cooperative farmers for irrigation equipment and production inputs, because the USAID financial assistance was a grant from the USG to Zambia, and should therefore be received by the final beneficiaries for free. This message created consternation among field staff simply following some of the key elements of their field approach that had been clearly laid out within their signed cooperative agreement with USAID – something that the evaluation team reviewed and confirms. From ZATAC's perspective, it appeared that there may not have been sufficient interface between the USAID/Zambia Financial Reviewers and the EG team, interface that might have led to the sharing of the approved proposal and the fundamentals of the COI Phase II project model. Clearly, at the very least, miscommunication and some basic misunderstanding between the two parties was taking place. In any case, this incident had unintended consequences on program implementation. ZATAC proceeded not to sign any loan agreements with Chibote Multipurpose Cooperative Society or Akabangile Multipurpose Cooperative Society for irrigation equipment and banana tissue culture worth about \$187,000. Scale-up was impeded. ZATAC's aspiration to grow the loan capital base of the ZATAC Investment fund (ZIF) was made untenable. Had ZATAC been able to proceed as planned in the Cooperative Agreement proposal, it could have increased the number of farmers benefitting from the irrigation schemes long after the USAID project closeout in September 2010. There was to have been no collateral on the loans, but ZATAC expected that the continuous income stream from the banana (and other seasonal crops like vegetables) - combined with the 'carrot' of sustaining a good relationship with ZATAC – and the promise of additional support programs planned for the farmers through ZATAC, would have provided the necessary motivation to live up to farmer or cooperative repayment commitments on the loans. This issue was never resolved with USAID during the life of the project.

HIGHLY SUCCESSFUL STRATEGIES

From the evaluation team's perspective, ZATAC has shown itself to be innovative in a number of ways over the past years since its creation in 2002 as a private sector entity under an earlier USAID project. Its short history has been punctuated with both failures and successes, which is to be expected of any new organization. What is important, however, has been ZATAC's ability to learn from past mistakes and to continually improve upon its own business plan in both the focus and thrust of its initiatives. ZATAC in recent years has become more focused on what it does best, and that is in support to small and medium enterprises in developing business plans, linked with user-friendly software for small business needs in accounting, financial reporting, and the tracking of profit and losses. Through these business plans, ZATAC has learned the importance of careful monitoring of repayment schedules established by business owners, as an incentive for these business owners to acquire future, perhaps larger, additional loans. ZATAC has also learned to also focus its efforts geographically, and not spread itself out all over, needlessly spending valuable personnel resources. ZATAC itself will state they have also learned the following:

1. Avoid support to rain-fed crops
2. Avoid support to activities that result in low producer incomes (like honey, paprika)
3. Focus on products with continuous and not seasonal income streams, commodities like eggs, fresh milk, vegetables, banana (under irrigation), and meat (such as pork or beef)
4. Focus earlier on youth SME development program initiatives which have the promise, when well-conceived, to register high income results for business owners.

UNSUCCESSFUL STRATEGIES

In somewhat the reverse of some of the successful strategies listed above, ZATAC has learned that:

1. It takes too long for smallholder farmers to earn income and grow a business from rain-fed crops, which because of dry spells, lack of timely delivery of fertilizers or other inputs, or other events outside the farmer's ability to manage, can lead to poor results. This in turn leads to difficulties meeting regular monthly household expenses like medical bills, payment for children school fees and uniforms, and unexpected expenses that always come, frequently leading to indebtedness.
2. Some rain-fed crops, which seemed promising at first, like paprika, actually bring only small revenue gains to individual households, not enough to move them out of poverty and into a farming business with strong growth potential. Farmers need to see significant quick or at least steady gains to actually see the benefits of new farming practices.
3. Businesses without well thought out business plans, no matter how small the entrepreneur, will not likely be long in business. This includes the ability to keep and maintain over time proper accounting procedures where costs and benefits are properly established. If an entrepreneur is not willing or able to undertake this step, ZATAC has learned not to become engaged with them.

CONCLUSIONS, ACCOMPLISHMENTS, LESSONS LEARNED AND BEST PRACTICES

Contributions to USAID/Zambia SO 5: The Zambia Agribusiness Technical Assistance Center (ZATAC) and its Copperbelt Out-Grower Initiative (COI) clearly has contributed in a significant way to USAID/Zambia's SO5 objective of increasing private sector competitiveness in both the agriculture and natural resources sector and other important sectors of the country's economy as well. Success is not measured only in the number of actual specific firms reached, or farmers touched for greater productivity, but also in a program's ability to identify and work with the most promising partners to achieve long term program impact, and having the flexibility and creativity to redirect resources quickly to more promising activities when unforeseeable circumstances arise. The collapse of partner firms that were to assure the export of paprika and honey for initially targeted smallholders in the Copperbelt, for example, did not deter ZATAC from consolidating and providing greater attention to efforts within three irrigation sites and launch a strong venture to reach a growing youth sector with latent entrepreneurial ability seeking to be launched.

ZATAC is a very significant USAID/Zambia success story: ZATAC exemplifies the creation and launching of a Zambian owned and operated agribusiness technical assistance center capable of providing appropriate advisory services to rapidly multiplying agribusiness firms along a multitude of commodity chains within different parts of the country. ZATAC has a clear vision of the strategic advantages of the different provinces within Zambia, of the commodities and private sector firms working within these provinces, and of their needs for linkages with capital markets, and regional and international markets for commodity sales. Because of its proven track record within Zambia, the excellence of its professional leadership and board, ZATAC has also succeeded in attracting the attention of important donor partners that are interested in leveraging existing economic ventures or creating many new routes for rapid private sector expansion within the country. This is highlighted in its on-going partnership with the US African Development Foundation, the Imagine Nations Group, Softline Pastel and Equals Three Communications that have reinforced USAID supported COI activities during Phase II and will continue to build these efforts into what appear to be exceedingly attractive potential agribusiness ventures. In one testimonial to the evaluation team from one of these donor groups, it was stated that among the 26 countries in Africa in which the USADF works, ZATAC is considered to be its strongest in-country partner, with the best professional management team.

Enabling Local Zambian Firms and National Firms: The building and existence of strong local firms and private sector entrepreneurs, of which ZATAC Ltd. itself is an excellent example, is important. These institutions show great potential to become the engines for enhancing the visibility of USAID support to Zambia and economic growth for Zambia, Africa, and ultimately to creating a strong platform for good bilateral and economic relations between the USA and the host countries. African countries are increasingly transforming themselves into influential emerging markets, and Zambia must certainly be counted among these.²³ The issue of such sustainability therefore is at the core of successfully achieving the overall SO 5 USAID/Zambia country strategic plan.

Financial Leveraging: Beginning towards the end of Phase I and building strength and experience in support to various cooperative ventures, ZATAC Ltd. as a company appears to have been quite successful in

²³ Even as the Asian countries such as China, Malaysia, South Korea, etc. are actually doing.

attracting additional sources of financing and capital, and targeting this towards very promising private sector entrepreneurs within the Copperbelt. Agriculture sectors that are already benefiting from these efforts within the Copperbelt include smallholder dairy, poultry for eggs, banana, pork, value-added timber processing, fish production – not to speak of other commercial sectors within the large urban centers of this region (Kitwe, Ndola). It has also been successful in leveraging additional support (US African Development Foundation, The ImagineNations Group & Equals Three Communications, Inc., Barclays Bank, Softline Pastel, etc.) to the Copperbelt Outreach Initiatives initiated (cf. Table 3). Development is a long term process, with often at least 10-15 years of commitment required to achieve sustainable results and real impact. ZATAC's own success as an organization is a testament to the truth of this observation and represents a highly visible success story in USAID's efforts in long-term capacity building. ZATAC, in its own turn, has now stepped in to what are often frequent breaks in sufficiently long term funding. These efforts are providing new opportunities for promising Zambian private sector ventures and entrepreneurs in the Copperbelt and elsewhere to gain the business experience and training needed to mature, linking them to continuing funding opportunities and markets. The many activities initiated in Phase II USAID funding would have collapsed had it not been for ZATAC's success in leveraging new support to their activities.

Working Capital: Without working capital, a small business – whether defined as a farmer's farming enterprise on his or her 5 hectares of land, or a young entrepreneur adding value to sawn lumber for national and regional markets – has no possibility to operate and grow. ZATAC has been active in creating opportunities for access to loan capital by establishing a local credit financing entity called Development Finance of Africa, a 100% privately owned Zambian organization in which ZATAC itself has a 50% share, and the YAPYA Youth Investment Trust of Zambia a 50% share. It is through YAPYA that funding is currently coming for the 17 youth SME investment initiatives.

Asset Management: Productivity has increased, through the targeted irrigation schemes, linked to organic fertilizers from dairy, poultry, and swine, and managed within clearly defined business plans and their financial tracking systems. These are resulting in very significant yield increases for both maize and banana production, with complementary impact on vegetable production as well. Without proper management of assets, monitoring of income and outflows of capital, it would be impossible for these entrepreneurs to continue operations and to expand. ZATAC has grown its own portfolio through their interventions with Zambian SMEs.

PASTEL Accounting: The financial tracking systems put into place among all recipients as a condition of ZATAC assistance, linked to the development of business plans, is a noteworthy accomplishment of the program in itself. It is also the existence of these business plans, with their long-term annual projections for net profits, that has permitted ZATAC to report on the volumes and values of the commodities Copperbelt recipients under COI have achieved. ZATAC has become a Zambian distributor of a South African created financial management package targeting small and medium size entrepreneurs called PASTEL, which has a simplified module called "*My Business*" that targets start-up small businesses providing easy-to-use income and expense statements through bank accounts.

IR 5.1: Increased Access to Markets: ZATAC Ltd. clearly succeeded in increasing access to regional markets for the 5,052 smallholder (household level) enterprises at the three irrigation schemes supported and youth enterprises during Phases I and II, launching these enterprises on a path to future sustainability. Efforts initiated by the project with the youth enterprises launched in FY 2009 are perhaps the most promising in terms of long term new job creation, enterprise profitability, and increased access to regional markets. The evaluation team's assessment of ZATAC's performance over the course of its support received from USAID

was that it has shown itself to be a learning institution – learning from sometimes hard experience and failures of initial activities to focus on more productive areas for achieving the impacts sought for by the overall program objectives.

IR 5.2: Enhanced Value-Added Production and Service Technologies: ZATAC Ltd. has been successful in creating the foundations for long-term success through its focus on ‘cash-cows’ of commodity production through which smallholder household level enterprises are able to enjoy the steady, year-round flow of income so essential to meet recurrent household level expenses and grow their businesses. The use of improved hybrid maize, banana tissue culture, and vegetable varieties, as well as locally adapted cows, represents value added to local production systems, and when combined with the local infrastructure and services required for linking to local and regional markets represents success in this effort. However, long term success and sustainability of these efforts will take time, and require support beyond the life of the USAID assistance provided. Therefore the fact that USAID/Zambia was successful in bringing into existence a local Zambian institution capable of sustaining long-term program efforts into the future, beyond the life of a specific project, by leveraging additional support, is itself also a very important achievement in the macro sense for adding value to local institutions and service providers.

IR 5.3: Increased Access to Financial and Business Development Services (BDS): The Copperbelt Outgrower Initiative has experienced remarkable success in leveraging new funding, and services for the targeted cooperatives, thereby realizing the goal of achieving economic diversification and scaling up through a broad alliance made up of the regional mining industry, commercial banks, and farmer-based organizations at the local and national levels, agribusinesses, national and international service providers, and local governments. In our interview with the Corporate Manager for Social Affairs at the Mopani Copper Mines, for example, it was clear that this mine, as well as probably others, take some responsibility for the social welfare of retired or laid-off mine workers and community social relations, in general. This is good because the Mopani Copper Mine will continue to be a source for backup support of the community service ventures they have already initiated, and opportunities exist to expand such services from other mines in the Copperbelt.

IR 5.4: Improved Enabling Environment in Growth: The ZATAC Ltd. Copperbelt Outgrower Initiative has contributed substantially to improving the enabling environment for economic diversification through both public and private partnerships within the Copperbelt. At the micro-level, three substantial irrigation schemes associated with three developing agricultural cooperatives with increasingly private sector entrepreneurial focus have been supported and continue to evolve in a promising direction for future success as business ventures. Individual households within these cooperatives are increasingly seeing themselves as micro-enterprises – farming as a business – using the vehicle of the cooperative to serve in areas that individually would not be cost effective. Furthermore, the youth enterprises being supported touch on a wide range of economic initiatives within the Copperbelt with both rural and urban outcomes, and show very significant promise for future job creation and profitability. At the macro-level, ZATAC itself has evolved into a sustainable local Zambian institution capable of attracting private regional and international capital to partner with in supporting Copperbelt initiatives in particular, but also other initiatives elsewhere within Zambia. This must be considered a very significant output for creating an improved enabling environment within Zambia. It is increasing private sector competitiveness, and linking Zambia to the outside world for future opportunities for further growth and development. It is also an excellent example of sustainability of program interventions.

Makumbi Farm Cooperative Society Ltd: This is an unsustainable program as currently designed and structured. It is already failing and were it not for the support of the US African Development Fund via ZATAC, it would have failed already. Farmers who are serious to continue operations must soon be given the titles to their land; real assets of the cooperative could perhaps be given to the best farmers, with a plan for how others who qualify will also receive assets. Each household could be given ½ hectare of the existing cooperative banana plantation, for example, and then manage this along with banana they may wish to place on their own current plots. Or perhaps a small portion of this could be retained by the cooperative to generate some income, but the larger portion be divided up among active members. Existing dairy cows could go to individual farmers capable and willing to manage them, with milk sold as currently done through the cooperative. However the number of cows must increase by a factor of about 10 if cooperative members are to have enough milk to attract Parmalat to pick up their milk, which is the only realistic solution for sales.

Chibote Multipurpose Cooperative Society: The farmers of this cooperative are already enthusiastic about the impact of their cooperative on their lives and the tangible benefits they have received through ZATAC support. On-going and planned activities through the continuing USADF funding hold significant potential. This cooperative has been established on a sound business plan which has every reason for success.

Youth Entrepreneurships: The new focus towards youthful entrepreneurs, through a serious competitive process, already is showing signs of real success and impact on both job creation, and in harnessing the enthusiastic energy of younger people to realize their own dreams of personal advancement. Leaving the focus of what kind of entrepreneurships are funded flexible is also important, as it is permitting the realization of both urban and rural market-driven ventures within both agriculture and other economic pursuits.

MATEP Investment Fund (MIF): One of the recommendations made in the September 2008 assessment of USAID/Zambia's EG portfolio was to establish benchmarks for an orderly close out of ZATAC's COI programs, ending in September 2010 and that the EG team '*should evaluate the needs for ensuring ZATAC's future sustainability and its core business plan as it related to managing funds such as the MIF*'.²⁴ However, it does not appear that an orderly close out occurred because a number of issues continue to remain unresolved, specifically with reference to the MIF. The final inventory and disposition of ZATAC's COI program assets only occurred in January/February 2011 during the evaluation team's visit – four months after the close of the project. And future sustainability issues for ZATAC most certainly include NICRA issues which also remain unresolved.²⁵

To transfer the legal mandate of fund management and asset recovery from ZATAC to another organization will require an expensive legal procedure in order for MATEP clients to have any real legal obligation to be responsive to a new fund manager such as The Mitchell Group. Yet ZATAC itself, while in a position to manage these funds during the DAI controlled project, took the initiative to lay down the legal framework with most of the recipients of the MIF loan funds in terms of collateral that could be seized if repayment

²⁴ USAID/Zambia, Assessment of USAID/Zambia's Economic Growth Portfolio, Final Report, September 2008, p.9.

²⁵ ZATAC estimates that had it received NICRA from its USAID/Zambia cooperative agreements, it would have earned about \$159,890 in additional income to strengthen its core business and increase its competitiveness as a firm. ZATAC is very thin in core long term staffing personnel as a result.

was not forthcoming. According to ZATAC, as much as 90% of the outstanding delinquent portfolio can yet be recovered. The question is who should be given this portfolio to undertake to do so.

Impacts: Individual project targets set at the outset of the ZATAC program were met for many indicators. Employment generation exceeded targets, as did value of credit disbursed and increases in individual household incomes. For the targets not reached, such as overall production values, there were very good reasons for this, explained in more detail in the text above. A summary of these achievements are provided here, carrying forward achievements from Phase 1 (2007) which represented the new baseline at that time, by indicator, giving the EOP target, and then the achievement by September, 2010.²⁶ The list of indicators in Table 4 below does not actually do justice to the impact that ZATAC actually achieved, and these ‘other’ impacts are discussed elsewhere.

Table 4: ZATAC Indicators: Targets and Accomplishments

Indicator 1: Production Value, Baseline: \$36,090	Target for 2010: \$503,075	Accomplishments: \$180,463
Indicator 2: Export Value, Baseline: \$42,180	Target for 2010: \$398,750	Accomplishments: \$42,410
Indicator 3: Employment Created Baseline: 113	Target for 2010: 4,722	Accomplishments: 5,266
Indicator 4: Linked Smallholders Baseline: 608	Target for 2010: 2,880	Accomplishments: 2,461
Indicator 5: Smallholders Delivering Baseline: 608	Target for 2010: 2,880	Accomplishments: 2,449
Indicator 6: Clients Accessing Markets Baseline: 608	Target for 2010: 2,880	Accomplishments: 2,457
Indicator 7: Value Domestic Sales Baseline: \$36,090	Target for 2010: \$ 503,075	Accomplishments: \$180,463
Indicator 8: Value of Exports Baseline: \$42,180	Target for 2010: \$385,750	Accomplishments: \$42,410
Indicator 9: HH Sales Income Baseline: \$97	Target for 2010: \$716	Accomplishments: \$1,612
Indicator 10: MT of Smallholder Production Baseline: 2 mt	Target for 2010: 456 mt.	Accomplishments: 322 mt.
Indicator 11: \$ value-added Baseline: \$18,910	Target for 2010: \$327,500	Accomplishments: \$18,910
Indicator 12: Smallholders reached HIV/AIDS Baseline: 0	Target for 2010: 2,880	Accomplishments: 0
Indicator 13: Smallholders credit Baseline: 19	Target for 2010: 8,560	Accomplishments: 377
Indicator 14: Value of Credit Disbursed Baseline: \$690	Target for 2010: \$220,403	Accomplishments: \$552,649
Indicator 15: Value of Trade Finance Baseline: \$14,750	Target for 2010: \$199,375	Accomplishments: \$552,649
Indicator 16: SMEs receiving BDS Baseline: 7	Target for 2010: 22	Accomplishments: 27 cooperatives
Indicator 17: SMEs reached with HIV/AIDS Baseline: 0	Target for 2010: 37	Accomplishments: 27 cooperatives
Indicator 18: Agribusinesses increased baseline: 7	Target for 2010: 22	Accomplishments: 20

Looking at the accomplishment data above, one sees that the same numbers appear for several of the indicators. This shows that the very definition of indicators at the outset of the project could have been

²⁶The details for achievements realized, by year, are provided in Attachment 1B.

much better done, to avoid such repetition. And as noted elsewhere, the fact that the PMP was not revised over the six years of the program represented a further weakness in the M&E system of both ZATAC and the USAID/Zambia management structure monitoring this process. Other performance outcome and impact indicators should have been added during the course of the program.

Some of the Lessons Learned and Best Practices

Through our interaction with the Chief Executive Officer of ZATAC, and field personnel still in place (in spite of the fact that the USAID/Zambia COI project had ended in September, 2010), it seems clear that a number of actions earlier on in this project would have contributed to even greater success of the project. These would include:

- A baseline survey undertaken at the household level among the targeted smallholders with whom ZATAC planned to work during Phase II, and particularly among the farmers of the three irrigation sites where most interventions were undertaken would have helped to determine actual impact at the end of the project. Then a similar end-of-project survey could have taken place to assess impact over the past few years on the specific farmer households who have benefited most from these activities. This end-of-project survey would have been rendered unnecessary if ZATAC had put into place a simple, but consistent, monitoring system of these households from year to year as part of the condition for the support provided in training and other services provided. In the same way that a business plan lays out the expectations from year to year in terms of commodities produced, net profits realized, and possible loans repaid, so the beneficiaries of these services were expected to become more engaged in expressing to the project what was taking place each year.
- Given the experience and objectives of the project, it would have been best not to have supported rain fed crops at all. Phase I efforts with paprika, coffee, and chili-peppers proved to be a failure. Because of low value crops like paprika and honey, the project initially found itself traveling at great expense to distant and widely scattered locations to visit farmers earning something like \$40 of extra income from their efforts. This was not an efficient use of project resources, nor could the scale of operations justify the eventual outcomes, particularly when the firms supporting the commercial sales collapsed.
- Commodities with continuous (and not seasonal) incomes such as eggs, milk, vegetables, bananas, and pork have proven to provide the more continuous or regular income streams needed by small holder farmers or small entrepreneurs to realize the needed benefits to grow and expand their enterprises.
- Earlier support to the youth small and medium enterprises (SMEs) would have permitted the COI project to realize significantly greater impacts in terms of employment generation and income gains. High income results could have been recorded much earlier.
- Focus on what ZATAC does best: working with carefully selected entrepreneurs in developing well-researched and thought-out business plans, and then using these to guide implementation of targeted support to these entrepreneurs.

SUMMARY RESPONSE TO KEY EVALUATION QUESTIONS

The evaluation team was asked to assess whether or not the ZATAC project had “*achieved the goals as originally agreed, and to what extent the project outputs have contributed to the economic growth program assistance objective*”. Three specific evaluation questions, as well as a series of sub-questions, were framed by USAID/Zambia in the Scope of Work. These questions and our summary responses are provided in this table below.

Strategic design: was the Results Framework structured effectively to lead to the SO5 objective – results – targets?

- a. Which sub-tasks or individual activities of the project were most/least effective, why?
- b. Assess how the project achieved performance targets.
- c. Was the project successful in promoting smallholder farmers' welfare, in terms of increased incomes, and increased sales? The question does not apply to ACF and FSRP.
- d. Have project activities supported creation of self-sustaining economic linkages? To what extent has the project prepared similar organizations/projects to take up its current role?
- e. Have private sector partners integrated HIV/AIDS prevention into the core of their businesses? The question applies to PROFIT and ZATAC.
- f. What were the major accomplishments of each project?

(2) **Operational:** To what extent were the individual projects linked in order to contribute to the overall SO5 objective of increasing private sector competitiveness?

Has the project contributed to the overall economic growth assistance objective of increasing private sector competitiveness?

Which tasks in the program description contributed most/least to the assistance objective?

Do project outputs contribute to the assistance objective?

Has the project delivered value for the money? Has this been a cost effective intervention?

Impact: Were the individual project objectives – results – targets reached as expected?

Strategic Design: ZATAC adaption to USAID's SO 5 Results Framework helped the project to focus its activities in such a way as to clearly contribute in a significant way to the objective of increasing private sector competitiveness in both the agricultural and natural resources sector, and other important sectors of the economy. Better use of their PMP and increased attention to household level impact of their activities would have improved reporting on project impact. ZATAC's focusing on commodities that produce year-round income streams for smallholder farmers were the most effective – commodities like fresh milk (through dairy), eggs, banana, vegetables, fish and pork. Households benefiting from ZATAC-COI focused efforts (the three irrigation sites, and 17 micro-businesses) are receiving annual incomes of over \$1,500, well in excess of the poverty level within Zambia (at \$1/day). Those activities that were much less successful were those that sought to increase household incomes through production of rain-fed crops (paprika, coffee, peppers) and honey – largely because of the failure of the Zambian firms responsible to market these commodities. This failure can therefore not be attributed to any lack of effort on the part of ZATAC itself. Lack of funding did not permit the program to carry forward its efforts in HIV/AIDS prevention, though the Copperbelt Mine partners of the program have initiated efforts in this area. Among the most significant accomplishments of the project would be the establishment of well-thought out client business plans, linked to the use of an excellent small-business software system for tracking profits and losses over time. ZATAC Ltd. itself is a very significant USAID success story – the creation and launching of a Zambian owned and operated agribusiness training center capable of providing professional advisory services to rapidly multiplying agribusiness firms along a multitude of commodity chains within different parts of the country – not just the Copperbelt. ZATAC Ltd. has also succeeded in attracting the attention of important donor partners that are helping ZATAC to reinforce existing efforts in the Copperbelt, as well as leverage funding to reach sustainability of these ventures. Project performance targets for creation of jobs, increasing household level incomes, and placing small-business loans exceeded EOP targets, while several indicators fell significantly short of targets for total values and volumes of production. This

however were for reasons outside of ZATAC's control.

Operations: ZATAC, while collaborating well with a range of partners within the Copperbelt, did not collaborate as it might have with other USAID EG projects to share experiences and learn from each other. A number of policy issues were encountered by the evaluation team within the Copperbelt that ZATAC might have brought to the attention of ACF and FSRP – with the hope of changing GRZ practices that are currently negatively impacting the logging industry, for example. Challenges currently faced by ZATAC supported irrigation groups within the Copperbelt could have largely minimized or resolved had ZATAC adopted PROFIT's model for linking input firms through local agents for sales and delivery of inputs to smallholder farmers. These were opportunities missed. However, the 71 small scale enterprises with whom ZATAC worked in the Copperbelt are clearly more competitive now than they were several years ago, though for them to become sustainable, they will need additional assistance. The fact that ZATAC will be able to continue to provide such assistance, even though the USAID project ended in September 2010, gives witness to ZATAC's effectiveness in leveraging funds for the purpose. ZATAC efforts have achieved some very significant impacts on increasing smallholder farmer productivity and incomes.

Impact: Overall, while the initial expectations of the project with respect to smallholder out-grower production schemes (paprika and honey) did not work out, program management was flexible enough to learn from these challenges and move on to more productive activities and ended up being very successful at both micro levels (the 71 small businesses themselves) and macro level (ZATAC itself) in improving the enabling environment for private sector Zambian firms to become more competitive and grow. Though it would not be reasonable to expect ZATAC Ltd. itself, in three brief years, to have succeeded in bringing the small businesses they have been working with to sustainable and profitable businesses, the evaluation team noted that there is no reason to doubt such success in the next couple years, as continuing support is provided. USAID/Zambia funding provided to ZATAC were well spent, and should be considered to have received value for cost – especially when one considered the 30% depreciation of the US \$ during this time and the dramatic increases experienced by the project in terms of operational costs (for vehicle fuel, for example). Smallholder farmer households with whom the evaluation team met were extremely positive about the benefits they received in terms of business plan and accounting systems training, installation of sophisticated irrigations systems, and diversification of production options for increased incomes.

RECOMMENDATIONS

Based on the above conclusions, the following recommendations seem reasonable.

PERFORMANCE MONITORING PLANS AND PROGRAM M&E

A growing number of USAID missions have begun to engage a professional performance monitoring consulting firm contractor to assist the mission program office and SO teams to link with their implementing partners with respect to project PMPs and the tracking and management of the key output, outcome, and impact indicators being tracked by various projects – in light of mission strategic objectives and goals. These countries include Uganda, Tanzania, Nigeria, and Liberia. The evaluation team believes that given the continuing fairly robust program within the Mission, and the potentially increasing budgets that may be associated with the Feed the Future (FTF) Initiative, USAID Zambia might want to consider including a contractor in its portfolio who will help to reinforce the quality of the information being obtained through the implementing partners. Part of such a contractor's duties would be to assist all Mission portfolio partners, for all SO5, to properly comply with USAID guidelines for PMPs and program monitoring – both at the USAID level as well as within the specific project themselves. The evaluation team found that the ZATAC would clearly have been assisted if such a program had been in place over the past few years. With FTF's need to be able to track information linked to poverty reduction, increased food security among smallholder households, provision of social and economic benefits to women, and other vulnerable groups, the added level of analysis required for future implementing partners may require some long-term in-country available technical guidance.

BASELINE AND END-OF-PROJECT SURVEYS: Though the USAID/Zambia support evaluated ended in September 2010, ZATAC program activities do continue at all sites within the Copperbelt. Looking forward, we would suggest that projects with a life of three or more years would be well served to include in their budgets a targeted baseline and end-of-project survey of actual beneficiaries to determine impact of the project. The latter EOP surveys could be avoided if ZATAC itself would keep close records on the targeted beneficiaries. For example, ZATAC's priority in creating business plans for all business ventures with entrepreneurs or groups of entrepreneurs with whom they are working (e.g. cooperatives) lends itself nicely to framing what ought to be the key outcome and impact indicators tracked. In addition to those indicators already being tracked in all these business plans (like # of initial employees and growth in this number, direct and indirect beneficiaries) the evaluation team would suggest adding the following kind of indicators for continuing efforts:

- % of required repayments against loans given that have been made on time (against loan repayment schedule established) (a quarterly indicator);
- % of income flow projected within projected business plan schedule that has actually been annually realized
- % of net profits (after taxes) realized annually against projected business plan projected profit/loss statement.
- Doing so will help measure impact as well as discern the 'red flags' when problems begin to develop and can be dealt with in a timely manner.

MATEP Investment Fund: Consider transferring the fund to ZATAC Ltd and agree upon any post-award reporting requirements if any. Perhaps the loan portfolio could become part of the Development Finance

Africa loan system in which ZATAC has a 50% stake. Certainly the objectives for use of the MIF funds are the same as those of this ZATAC initiative. This would be the most straight forward seamless option to resolve this issue. This makes sense, because ZATAC retains the legal rights to go after the currently delinquent loans based on prior work for this very purpose. Over half of the delinquent funds are linked to one firm, and standing assets exist for recovery. Most importantly, a transfer of the MIF to ZATAC seems the most effective way of sustaining the activities and objectives of the MATEP project. Through COI and Development Finance Africa Ltd respectively, ZATAC has demonstrated its ability to attract carry-on resources from other donors and has established a more competitive framework for future credit management based on lessons learned from the ZIF and the MIF.

Second Option: If this is for some reason not possible, the second option might be to hire ZATAC, taking advantage of its current legal mandate, to recover the loans at generally accepted commercial debt recovery fee compensation. ZATAC would transfer any proceeds to USAID, net of fees payable to ZATAC.

Third Option: A third option might be for USAID to write-off the loans altogether, declare that the project is over, and with it, any repayment obligations. ZATAC would then hand over all security documentation and deeds back to the clients, deduct legal costs of the reversal from the Fund, and transfer any balance of funds to USAID. This would clearly set a bad precedent and reinforce already current expectations of write-off for any near-future investment funds that USAID might support.

NICRA: USAID may wish to consider a more detailed examination of just how USAID/Zambia develops its Indirect Cost Rate (ICR) policies and how these are impacting local organizations with whom it contracts. See if there are any opportunities for making it easier for local organizations like ZATAC and ACF to do business with USAID and to serve USAID and the people of Zambia better. There is a basic inconsistency when USAID/Zambia is prepared to pay overhead and NICRA to organizations like DAI or CLUSA exceeding 50% but not recognize the need of local firms, particularly those that they have helped to bring into existence, to charge their own indirect costs expenses to grow their businesses, cover their own justified indirect cost rates, and remain competitive. This is part of capacity building and creating an enabling environment for Zambian private sector firms to be competitive.

USAID/Zambia Financial Support: Consider giving ZATAC further chances to prove itself worthy of USAID program support towards Zambian SMEs. ZATAC has matured over recent years, learned from many of its earlier mistakes as a young institution.

Continuous Income Commodities: Focus any potential future financial support towards smallholder farmer entrepreneurs on value chains other than rain-fed crops to produce a more consistent and continuous income stream for smallholder farmers – leading to quicker recovery of loan repayments and business success.

Tough Love: Fear not the task of going after delinquent loans, when business plans show that a client is falling behind and may not be able to meet payment obligations.

Performance Accountability: Hold implementing partners like ZATAC and supervising Mission staff more accountable in improving field-level data gathering, with focus on results and impact and program performance – not as something that simply ‘must be done’ for USAID.

Entrepreneur Accounting Skills: USAID may wish to verify that IPs like ZATAC, working by enabling the development of SME business management skills is training business leaders themselves to gain the understanding and ability to oversee their own accounting systems better, tracking their profit/losses, leading

to better management practices, and clearer business priorities. Leaving this to a part-time employee accountant is potentially dangerous to the long term health of the firm.

Business Plans for Impact Monitoring Indicators: Make better use of well-designed entrepreneur business plans as a tool to monitor quarter by quarter the progress being made by enterprises receiving USAID financial or technical support. Well-designed business plans, as currently being promoted by ZATAC, lend themselves to good tracking of the enterprise's ability in loan repayments and improvements in enterprise balance sheets (net profits) over time. These can generate excellent progress and impact indicators.

Leverage ZATAC Experience: Consider leveraging ZATAC experience in creating workable business plans for SMEs by encouraging SO 5 type projects to engage ZATAC to support the entrepreneur groups being established.

EG Implementing Partner Quarterly Meetings: Bring back the practice of IP quarterly meetings as a way of developing common approaches, diffusing impacts and lessons learned, and permitting better EG program integration.

Quarterly Reports: Greater attention might be given to the content of the quarterly reports being submitted by the Implementing Partners. Assuming that someone is actually reading these at USAID/Zambia, it might be helpful if these reports had sections that looked at outcomes and impacts within a results oriented approach to program implementation.

ATTACHMENTS

ATTACHMENT IA: IPTT INDICATORS (2008-2010)

Attachment 1A: ZATAC PMP INDICATOR Table	2007 Base Line	2008			2009			2010		2008 - 2010	Cum. Results
		Target	Results	Results V Target	Target	Results	Results V Target	Target	Results	Results V Target	
IR 1.0 - INCREASED ACCESS TO MARKETS											
1 PERFORMANCE INDICATOR 1.1: Value of Ag & NR production by supported groups (USD)	36,090	95,250	39,529	(55,721)	102,000	76,812	(25,188)	144,200	64,122	(80,078)	180,463
2 PERFORMANCE INDICATOR 1.2: Value of Ag & NR exports from supported production (USD)	42,410	19,250	-	(19,250)	-	-	-	-	-	-	-
3 PERFORMANCE INDICATOR 1.4: Number of smallholders linked to contracted or otherwise guaranteed markets	608	360	923	563	280	723	443	320	781	461	2,427
4 PERFORMANCE INDICATOR 1.5: Number of smallholders delivering to contracted or otherwise guaranteed markets	608	360	945	585	280	723	443	320	781	461	2,449
5 PERFORMANCE INDICATOR 1.6: Number of clients accessing new markets	608	360	923	563	280	723	443	320	811	491	2,457
6 PERFORMANCE INDICATOR 1.7: Value of domestic sales (USD)	36,090	67,125	39,529	(27,596)	102,000	76,812	(25,188)	144,200	64,122	(80,078)	180,463
7 PERFORMANCE INDICATOR 1.8: Value of export sales (USD)	42,410	19,250	-	(19,250)	-	-	-	-	-	-	-

Attachment 1A: ZATAC PMP INDICATOR Table	2007 Base Line	2008			2009			2010		2008 - 2010	Cum. Results
		Target	Results	Results V Target	Target	Results	Results V Target	Target	Results	Results V Target	
IR 2.0 - INCREASED PRODUCTIVITY											
8 PERFORMANCE INDICATOR 1.9: Sales Income per supported household (USD)	286	189	373	184	228	678	450	300	561	261	1,612
9 PERFORMANCE INDICATOR 1.10: Volume of supported smallholder production(mt)	34	65	70	5	108	146	38	176	69	(107)	285
1 PERFORMANCE INDICATOR 1.11: 0 Value of value-added/processed production (USD)	18,910	37,500	-	(37,500)	80,000	-	(80,000)	120,000	-	(120,000)	-
1 PERFORMANCE INDICATOR 1.17: 1 No. of agribusinesses achieving increased economies of scale	8	5	12	7	6	13	7	6	13	7	38
IR 3.0 - INCREASED ACCESS TO BUSINESS DEV & FINANCIAL SERVICES											
1 PERFORMANCE INDICATOR 1.12: 2 Number of smallholders reached with HIV/AIDS awareness increasing messages.	-	-	-	-	-	-	-	-	-	-	-
1 PERFORMANCE INDICATOR 1.13: 3 Number of smallholders accessing credit.	19	360	203	(157)	280	116	(164)	320	58	(262)	377
1 PERFORMANCE INDICATOR 1.14: 4 Value of credit disbursed to smallholders (USD)	690	210,275	4,963	(205,313)	2,128	25,940	23,811	-	521,747	521,747	552,649
1 PERFORMANCE INDICATOR 1.15: 5 Value of Trade Finance disbursed to SMEs and Agribusinesses (USD)	14,750	37,750	4,963	(32,787)	56,250	25,940	(30,310)	105,375	521,747	416,372	552,650

Attachment 1A: ZATAC PMP INDICATOR Table	2007 Base Line	2008			2009			2010		2008 - 2010	Cum. Results
		Target	Results	Results V Target	Target	Results	Results V Target	Target	Results	Results V Target	
1 6 PERFORMANCE INDICATOR 1.16: Number of SME clients receiving BDS	7	5	11	6	6	30	24	6	30	24	71
OTHER INDICATORS											
1 7 PERFORMANCE INDICATOR 1.3: Employment created for Supported Groups in Ag and NR sectors	838	580	1,846	1,266	731	1,446	715	811	1,760	949	5,052

ATTACHMENT I B: BASELINE, TARGETS AND RESULTS FOR PERFORMANCE INDICATORS TRACKED BY ZATAC

Phase II in the Copperbelt

PERFORMANCE INDICATOR 1.1: Value of Ag & NR production by supported groups (USD)

	2007	2008	2009	2010	Total
Fruit	15,000	14,961	18,318	13,184	46,462
Veg	-	945	2,326	1,464	4,735
Paprika	1,840	-	-	1,113	1,113
honey	19,250	192	144	156	492
Raw Milk	-	2,867	3,819	9,971	16,657
Eggs	-	7,207	23,873	24,836	55,915
Pork	-	5,740	7,620	9,155	22,514
Maize	-	7,618	20,713	4,243	32,574
Total	36,090	39,529	76,812	64,122	180,463

PERFORMANCE INDICATOR 1.2: Value of Ag & NR exports from supported production (USD)

	2007	2008	2009	2010	Total
Coffee	-	-	-	-	-
Veg	-	-	-	-	-
Paprika	3,910	-	-	-	-
Honey	38,500	-	-	-	-
Raw Milk	-	-	-	-	-
Eggs	-	-	-	-	-
Pork	-	-	-	-	-
Maize	-	-	-	-	-
Total	42,410	-	-	-	-

PERFORMANCE INDICATOR 1.3: Employment created for Supported Groups in Ag and NR sectors

	2007	2008	2009	2010	Total
Fruit	311	212	270	328	810
Veg	-	212	328	328	868
Paprika	38	328	-	-	328
Honey	489	246	-	-	246
Raw Milk	-	212	212	270	694

Eggs	-	212	212	212	636
Pork	-	212	212	212	636
Maize	-	212	212	212	636
Youth SMEs	-	-	-	214	214
Total	838	1,846	1,446	1,974	5,266

PERFORMANCE INDICATOR 1.4: Number of smallholders linked to contracted or otherwise guaranteed markets

	2007	2008	2009	2010	Total
Fruit	100	106	135	164	405
Veg	-	106	164	164	434
Paprika	19	164	-	-	164
Honey	489	123	-	-	123
Raw Milk	-	106	106	135	347
Eggs	-	106	106	106	318
Pork	-	106	106	106	318
Maize	-	106	106	106	318
Youth SMEs	-	-	-	34	34
Total	608	923	723	815	2,461

PERFORMANCE INDICATOR 1.5: Number of smallholders delivering to contracted or otherwise guaranteed markets

	2007	2008	2009	2010	Total
Fruit	100	106	135	164	405
Veg	-	106	164	164	434
Paprika	19	164	-	-	164
Honey	489	145	-	-	145
Raw Milk	-	106	106	135	347
Eggs	-	106	106	106	318
Pork	-	106	106	106	318
Maize	-	106	106	106	318
Total	608	945	723	781	2,449

PERFORMANCE INDICATOR 1.6: Number of clients accessing new markets

	2007	2008	2009	2010	Total
Fruit	100	106	135	164	405
Veg	-	106	164	164	434
Paprika	19	164	-	30	194

Honey	489	123	-	-	123
Raw Milk	-	106	106	135	347
Eggs	-	106	106	106	318
Pork	-	106	106	106	318
Maize	-	106	106	106	318
Total	608	923	723	811	2,457

PERFORMANCE INDICATOR 1.7: Value of domestic sales (USD)

	2007	2008	2009	2010	Total
Fruit	15,000	14,961	18,318	13,184	46,462
Veg	-	945	2,326	1,464	4,735
Paprika	1,840	-	-	1,113	1,113
Honey	19,250	192	144	156	492
Raw Milk	-	2,867	3,819	9,971	16,657
Eggs	-	7,207	23,873	24,836	55,915
Pork	-	5,740	7,620	9,155	22,514
Maize	-	7,618	20,713	4,243	32,574
Total	36,090	39,529	76,812	64,122	180,463

PERFORMANCE INDICATOR 1.8: Value of export sales (USD)²⁷

	2007	2008	2009	2010	Total
Fruit	-	-	-	-	-
Veg	-	-	-	-	-
Paprika	3,910	-	-	-	-
Honey	38,500	-	-	-	-
Raw Milk	-	-	-	-	-
Eggs	-	-	-	-	-
Pork	-	-	-	-	-
Maize	-	-	-	-	-
Total	42,410	-	-	-	-

PERFORMANCE INDICATOR 1.9: Sales Income per supported household (USD)

	2007	2008	2009	2010	Total

²⁷ On the spreadsheet provided to the consultants by ZATAC, there are two performance indicators called "1.8", for a total of 17 indicators, when the real total is 18 indicators. We have renumbered this consecutively, so as to avoid confusion.

Fruit	150	141	136	80	357
Veg/Fruit		9	14	9	32
Paprika	97	-		37	37
Honey	39	2			2
Raw Milk	-	27	36	74	137
Eggs	-	68	225	234	528
Pork	-	54	72	86	212
Maize	-	72	195	40	307
Total	286	373	678	561	1,612

PERFORMANCE INDICATOR 1.10: Volume of supported smallholder production(mt)

	2007	2008	2009	2010	Total
Fruit	15	24	29	21	74
Veg	-	1	3	2	6
Paprika	2	-	-	37	37
Honey	17	0.05	0.03	0.04	0
Raw Milk	-	5	6	16	27
Eggs	-	2	6	6	13
Pork	-	2	2	3	7
Maize	-	37	99	20	156
Total	34	70	146	105	322

PERFORMANCE INDICATOR 1.11: Value of value-added/processed production (USD)

	2007	2008	2009	2010	Total
Fruit	15,000	-	-	-	-
Veg	-	-	-	-	-
Paprika	3,910	-	-	-	-
Honey	-	-	-	-	-
Raw Milk	-	-	-	-	-
Eggs	-	-	-	-	-
Pork	-	-	-	-	-
Maize	-	-	-	-	-
Total	18,910	-	-	-	-

PERFORMANCE INDICATOR 1.12: Number of smallholders reached with HIV/AIDS awareness increasing messages.

(Data were never acquired for this indicator)

	2007	2008	2009	2010	Total

Fruit	-	-	-	-	-
Veg	-	-	-	-	-
Paprika	-	-	-	-	-
Honey	-	-	-	-	-
Raw Milk	-	-	-	-	-
Eggs	-	-	-	-	-
Pork	-	-	-	-	-
Maize	-	-	-	-	-
Total	-	-	-	-	-

PERFORMANCE INDICATOR 1.13: Number of smallholders accessing credit.

	2007	2008	2009	2010	Total
Fruit	-	58	58	-	116
Veg	-	-	58	58	116
Paprika	19	-	-	-	-
Honey	-	145	-	-	145
Raw Milk	-	-	-	-	-
Eggs	-	-	-	-	-
Pork	-	-	-	-	-
Maize	-	-	-	-	-
Total	19	203	116	58	377

PERFORMANCE INDICATOR 1.14: Value of credit disbursed to smallholders (USD)

	2007	2008	2009	2010	Total
Fruit	-	3,877	8,531	-	12,408
Veg	-	-	17,408	5,086	22,494
Paprika	690	-	-	-	-
Honey	-	1,085	-	-	1,085
Raw Milk	-	-	-	-	-
Eggs	-	-	-	-	-
Pork	-	-	-	-	-
Maize	-	-	-	-	-
Youth SMEs	-	-	-	516,661	516,661
Total	690	4,963	25,940	521,747	552,649

PERFORMANCE INDICATOR 1.15: Value of Trade Finance disbursed to SMEs and Agribusinesses (USD)

	2007	2008	2009	2010	Total
Fruit	-	3,877	8,531	-	12,408
Veg	-	-	17,408	5,086	22,494
Paprika	-		-	-	-
Honey	14,750	1,085	-	-	1,085
Raw Milk	-	-	-	-	-
Eggs	-	-	-	-	-
Pork	-	-	-	-	-
Maize	-	-	-	-	-
Youth SMEs		-	-	516,661	516,661
Total	14,750	4,963	25,940	521,747	552,649

PERFORMANCE INDICATOR 1.16: Number of SME clients receiving BDS

	2007	2008	2009	2010	Total	Unique
Biz Training	10	10	10	10	30	10
Fruit	1	2	3	3	8	3
Veg	1	1	3	3	7	3
Paprika	2	2	2	2	6	2
Honey	2	2	-	-	2	2
Raw Milk	-	1	2	2	5	2
Eggs	-	1	1	1	3	1
Pork		1	1	1	3	1
Maize	1	1	1	1	3	1
Youth BDS	-	-	17	17	34	17
Total	17	21	40	40	101	27
Unique	10	10	27	27	27	

PERFORMANCE INDICATOR 1.17: Number of SMEs reached with HIV/AIDS workplace programs Messages.

(Data were never acquired for this indicator)

	2007	2008	2009	2010	Total
Coops	27				-
Fruit	-	-	-	-	-
Veg	-	-	-	-	-
Paprika	-	-	-	-	-
Honey	-	-	-	-	-
Raw Milk	-	-	-	-	-
Eggs	-	-	-	-	-
Pork	-	-	-	-	-
Maize	-	-	-	-	-
Total	-	-	-	-	-

PERFORMANCE INDICATOR 1.18: Number of agribusinesses achieving Increased economies of scale

	2007	2008	2009	2010	Total	Unique
Coops	10	10	10	10	30	10
Fruit	1	2	3	3	8	3
Veg	1	1	3	3	7	3
Paprika	3	3	2	2	7	4
Honey	2	2	-	-	2	2
Raw Milk	-	1	2	2	5	2
Eggs	-	1	1	1	3	1
Pork		1	1	1	3	1
Maize	1	1	1	1	3	1
Youth SMEs	-	-	8	8	16	8
Total	18	22	23	23	68	20
Unique	11	11	18	18	20	

ATTACHMENT I C: PMP SENT TO USAID BY ZATAC

	INDICATOR	Base-line	TARGET and ACTUAL				
				FY07	FY08	FY09	FY10
Trade/Exports-related Indicators							
1	Value of ANR-based exports \$'000	42.18	Target	42.18	75.50	112.50	210.75
			Actual	42.18	103.60	152.50	185.35
2	Number of transactions completed by assisted firms with foreign firms.		Target	-	-	-	-
			Actual	-			
3	Value (USD) of transactions of assisted firms with foreign firms, \$M		Target	-	-	-	-
			Actual	-	-	-	-
4	Value and volume of international exports of targeted commodities by assisted firms						
4.1	Paprika/Chili	Value, \$'000	Target	3.68	30	60	90
			Actual	3.68	34	70	62
		Volume, tons	Target	2	40	80	120
			Actual	2	48	100	96
4.2	Horticulture	Value, \$'000	Target	0	0	0	-
			Actual	0	-	-	-
		Volume, tons	Target	0	0	0	-
			Actual	0	-	-	-
4.3	Coffee	Value, \$'000	Target		-	-	-
			Actual		-	-	-
		Volume, tons	Target	0	-	-	-
			Actual		-	-	-
4.4	Honey	Value, \$'000	Target	38.5	45.5	52.5	120.75
			Actual	38.5	70	82.5	123.8
		Volume, tons	17	17	20	60	90

	INDICATOR	Base-line	TARGET and ACTUAL						
				FY07	FY08	FY09	FY10		
			Actual	17	56	66	80		
Production/Sales/Value Addition related indicators									
5	Value of Food and non Food Agricultural production by USAID supported groups. '000	36.09	Target	36.09	95.25	158.25	249.575		
			Actual	36.09	119.01	232.50	265.35		
6	Value of sales of goods and services		Target	-	-	-	-		
			Actual	-	-	-	-		
7	Value of resources derived from sustainable natural resources or conservation initiatives '000	19.25	Target	38.5	46	53	121		
			Actual	38.5	70	83	124		
8	Value and volume of international exports of targeted commodities by assisted firms								
	Honey/mushrooms	Value, \$'000	38.5	Target	38.5	46	53	79	
				Actual	38.5	70	83	124	
		Volume, tons	17	Target	17	20	60	90	
			Actual	17	56	66	-		
9	Value of production per unit disaggregated by commodity sector.								
9.1	Paprika	Value, \$/Ha	240	Target	240	500	600	600	
				Actual	240	560	700	527	
			Volume, tons/ha	0.40	Target	0.40	0.80	0.80	0.80
					Actual	0.40	0.80	0.80	0.80
9.2	Horticulture	Value, \$/ha	0	Target	0	4,688	17,750	19,636	
				Actual	0	5,117	13,031		
		Volume, tons		Target	0	60	160	240	
				Actual	0	35.98	96.50	-	
9.3	Coffee	Value, \$/Ha	0	Target	0		-	-	
				Actual	0	-	-	-	
		Volume, tons/Ha	0	Target	0	-	-	-	
				Actual	0	-	-	-	

	INDICATOR		Base-line	TARGET and ACTUAL				
					FY07	FY08	FY09	FY10
9.4	Honey	Value, \$/Hive	0	Target	13.13	13.13	13.13	13.13
				Actual	13.13	11.17	14.22	24.75
	Volume, kgs/Hive	0	Target		15	15	15	
				Actual	15	15	15	15
10	Value of production per client							
10.1	Paprika/Chili	Value, \$	38	Target	38	38	75	75
				Actual	38	56	96	84
	Volume, tons	0.06	Target	0.06	0.06	0.13	0.13	
				Actual	0.06	0.09	0.16	
10.2	Horticulture	Value, \$	0	Target	0	375	500	750
				Actual	0	145	492	
	Volume, tons	0	Target	0	0.60	1.00	1.50	
				Actual	0	0.34	0.91	
10.3	Coffee	Value, \$	0	Target		-	-	-
				Actual		-	-	-
	Volume, tons	0	Target		-	-	-	
				Actual		-	-	-
10.4	Honey	Value, \$	39	Target	39	66	88	144
				Actual	39	175	165	248
	Volume, tons	0.075	Target	0.075	0.075	0.100	0.164	
				Actual	0.075	0.140	0.132	0.160
11	Gross Margin per unit							
11.1	Paprika/Chili	Value, \$'000		Target	-	-	-	-
				Actual	-	-	-	-
	Volume, tons		Target	-	-	-	-	
				Actual	-	-	-	-
11.2	Horticulture	Value, \$'000		Target	-	-	-	-

	INDICATOR	Base-line	TARGET and ACTUAL					
				FY07	FY08	FY09	FY10	
11.3	Coffee		Actual	-	-	-	-	
		Volume, tons	Target	-	-	-	-	
			Actual	-	-	-	-	
		Value, \$'000	Target	-	-	-	-	
			Actual	-	-	-	-	
		Volume, tons	Target	-	-	-	-	
11.4	Honey	Value, \$'000	Target	-	-	-	-	
			Actual	-	-	-	-	
		Volume, tons	Actual	-	-	-	-	
12	Volume of produce processed**							
12.1	Paprika/Chili	Value, \$'000	3.91	Target	3.91	15	30	45
				Actual	3.91	34	70	62
		Volume, tons	2.3	Target	2.3	40	80	120
				Actual	2.3	48	100	96
12.2	Horticulture	Value, \$'000	15	Target				
				Actual				
		Volume, tons	15	Target				
				Actual				
12.3	Coffee	Value, \$'000	0	Target		-	-	-
				Actual		-	-	-
		Volume, tons	0	Target		-	-	-
				Actual		-	-	-
12.4	Honey	Value, \$'000	0	Target	38.5	45.5	52.5	120.75
				Actual	38.5	70.0	82.5	123.8
		Volume, tons	0	Target	17	20	60	90

	INDICATOR		Base-line	TARGET and ACTUAL				
					FY07	FY08	FY09	FY10
				Actual	17	56	66	
Technologies related indicators								
13	Number of clients engaged in improved and/or value added processing and production disaggregated by technology type.				-	-	-	-
					-	-	-	-
	Paprika/Chili	Grading, bulking	19	Target	19	200	400	600
					Actual	19	400	500
						-	-	-
	Horticulture	Irrigation	0	Target	0	100	160	160
					Actual	0	106	164
						-	-	-
	Coffee	Wet processing	0	Target		-	-	-
					Actual		-	-
						-	-	-
	Honey	Top-Bar Hives	0	Target	0	200	300	420
					Actual	0	361	396
14	Area under improved technologies **			Target	-	-	-	-
				Actual	-	-	-	-
	Paprika/Chili	Ha	5	Target	5	15	25	75
					Actual	5	60	80
	Horticulture	Ha	0	Target	0	2	4	6
					Actual	0	2	15
	Coffee	Ha	0	Target	0			
					Actual	0		

	INDICATOR		Base-line	TARGET and ACTUAL				
					FY07	FY08	FY09	FY10
	Honey	Hives	0	Target	0	1,000	2,000	4,600
					Actual	0	1,805	1,980
15	Value of resources derived from sustainable natural resources or conservation initiatives				-	-	-	-
					-	-	-	-
	Honey	Value, \$'000	19.25	Target	19.25	46	53	121
				Actual	19.25	70	83	124
16	Number of hectares under biodiversity conservation			Target	-	-	-	-
				Actual	-	-	-	-
17	Number of hectares under managed natural resource production systems			Target	-	-	-	-
				Actual	-	-	-	-
Finance Related Indicators								
18	Value of finance/capital accessed.		9,024	Target	9,024	-		-
				Actual	9,024	176,091	176,091	193,340
19	Number of loans by USAID assisted institutions disaggregated by gender		395	Target		-	-	-
				Total	395	395	395	395
				M	276	273	395	395
				F	118	118	118	118
				Actual				
				Total				
				M				
				F				
					-	-	-	-
20	Percentage of the number of loans on schedule for repayment			Target	75%	75%	75%	75%

	INDICATOR	Base-line	TARGET and ACTUAL				
				FY07	FY08	FY09	FY10
			Actual	100%	100%	100%	100%
21	Number of hectares under biodiversity conservation		Target	-	-	-	-
			Actual	-	-	-	-
BDS-Related Indicators							
24	Number of clients/entrepreneurs receiving BDS - agribusiness firms	0	Target	0	15	-	-
			Actual	0	30	136	164
25	Number of people reached with HIV/AIDS A & B outreach programs	0	Target	0	2,000	-	-
			Actual	0	2,731	-	-
Training related indicators							
26	Number of people trained (in agribusiness skills.)	Total	764	Target	764	-	-
				Actual	764	391	560
		Female	252	Target	252	-	-
				Actual	252	117	168

ATTACHMENT 2 - MAKUMBI FARM COOPERATIVE SOCIETY INCOME STATEMENTS

MAKUMBI FARM COOPERATIVE SOCIETY LTD

ATTACHMENT 2

INCOME STATEMENT : 01/04/10 to 31/12/10

17/01/11 13:51 Page: 1

Prepared by: Makumbi Farm Cooperative Society Ltd

SALES		
CHICKEN		200,000.00
Hay		1,000,000.00
Feed Formulation		1,962,500.00
Sales - Dairy		34,503,360.00
Honey Sales		520,000.00
Sales - Pork		26,507,500.00
Sales - Bananas		30,832,600.00
Maize Sales		14,875,000.00
Sales - Poultry		79,391,450.00
Vegetables		452,500.00
Fish-Sales		472,500.00
		190,717,410.00
COST OF SALES		
Operating Costs - Dairy		13,983,075.00
Operating Costs - Pigs		18,363,950.00
Operating Costs - Bananas		4,714,925.00
Operating Costs - Maize		11,270,000.00
Operating Costs - Poultry		37,031,975.00
Operating Costs - Staff Costs		3,246,150.00
Operating Costs -Ground Nuts		35,000.00
Loose Tools		289,000.00
		88,934,075.00
GROSS PROFIT / (LOSS)		101,783,335.00
OTHER INCOME		
Other Sales-Ploughing Fields		360,000.00
Other Income-Lime		490,000.00
Shop Sales		13,836,750.00
Deferred Income		145,058,704.64
Meals for Training Participants		12,965,000.00
Interest Received		90,080.85
Sundry Income		270,000.00
		173,070,535.49
		274,853,870.49
EXPENSES		
Fish wages		335,000.00
Shop Purchases		9,129,700.00
Shop Allowances		1,647,000.00
Grocery Packaging		44,825.00
Vegetables-other costs		220,000.00
Accounting Fees		4,000,000.00
Advertising & Promotions		656,300.00
Protective Clothings		660,000.00
Bank Charges		4,142,891.82
Cleaning		389,000.00
Computer Expenses		264,700.00
Consulting Fees		48,800,000.00
Depreciation		14,468,081.87
Donations		250,000.00
General Farm Expenses		2,735,800.00
Insurance		1,794,012.50
Interest Paid		1,053.85
Levies		487,000.00
Members Allowances		6,587,000.00
Motor Vehicle Expenses		40,410,000.00
Office Stationery & Printing		2,277,900.00
Rent Paid		3,500,000.00
Repairs & Maintenance		25,384,119.00
Salaries & Wages		31,500,000.00
Staff Training		55,412,400.00
Staff Welfare		13,247,622.28
Subscriptions		230,000.00
NAPSA Contributions		1,547,500.00
Telephone, Fax & Postage		1,422,700.00
Travel & Accommodation		2,284,000.00
		273,815,686.12

INCOME STATEMENT : 01/04/10 to 31/12/10

Prepared by: Makumbi Farm Cooperative Society Ltd

NET PROFIT / (LOSS) BEFORE TAX		1,038,284.37
TAX	a	
DIVIDENDS	b	
NET PROFIT / (LOSS)	c	1,038,284.37

INCOME STATEMENT : 01/04/09 to 31/03/10 - Last Year

SALES		
Sales - Dairy	28,689,300.00	
Honey Sales	735,800.00	
Sales - Pork	34,243,400.00	
Sales - Bananas	43,656,100.00	
Maize Sales	20,941,500.00	
Sales - Poultry	104,311,900.00	
BEEF	26,778,600.00	
Vegetables	2,128,300.00	
Ground Nuts	411,500.00	261,896,400.00
COST OF SALES		
Operating Costs - Dairy	25,960,035.00	
Operating Costs - Pigs	23,887,124.00	
Operating Costs - Bananas	5,825,500.00	
Operating Costs - Maize	10,182,250.00	
Operating Costs - Poultry	44,559,976.00	
Operating Costs - Staff Costs	99,500,442.00	
Operating Costs -Ground Nuts	874,500.00	
Loose Tools	1,782,753.00	
Seed Vegetables	782,500.00	213,315,080.00
GROSS PROFIT / (LOSS)		48,581,320.00
OTHER INCOME		
Shop Sales	4,297,150.00	
Deferred Income	263,797,382.76	258,084,532.76
		306,665,852.76
EXPENSES		
Shop Purchases	3,571,835.00	
Shop Allowances	974,450.00	
Vegetables-other costs	100,000.00	
Advertising & Promotions	1,144,500.00	
Protective Clothings	2,749,400.00	
Bank Charges	4,612,365.00	
Cleaning	137,840.00	
Consulting Fees	37,500,000.00	
Depreciation	78,326,251.00	
Electricity & Water	90,000.00	
General Farm Expenses	2,076,100.00	
Insurance	500,000.00	
Legal Fees	250,000.00	
Levies	600,000.00	
Motor Vehicle Expenses	22,861,300.00	
Plant Equipment Repairs	5,770,000.00	
Office Stationery & Printing	4,502,530.00	
Rent Paid	1,833,000.00	
Repairs & Maintenance	8,660,600.00	
Salaries & Wages	21,435,446.00	
Staff Training	196,500.00	
Subscriptions	200,000.00	
NAPSA Contributions	1,050,000.00	
Telephone, Fax & Postage	1,574,250.00	
Internet Fees	1,215,000.00	
Travel & Accommodation	43,122,910.00	245,054,277.00
NET PROFIT / (LOSS) BEFORE TAX		61,611,575.76
TAX		
DIVIDENDS		
NET PROFIT / (LOSS)		61,611,575.76

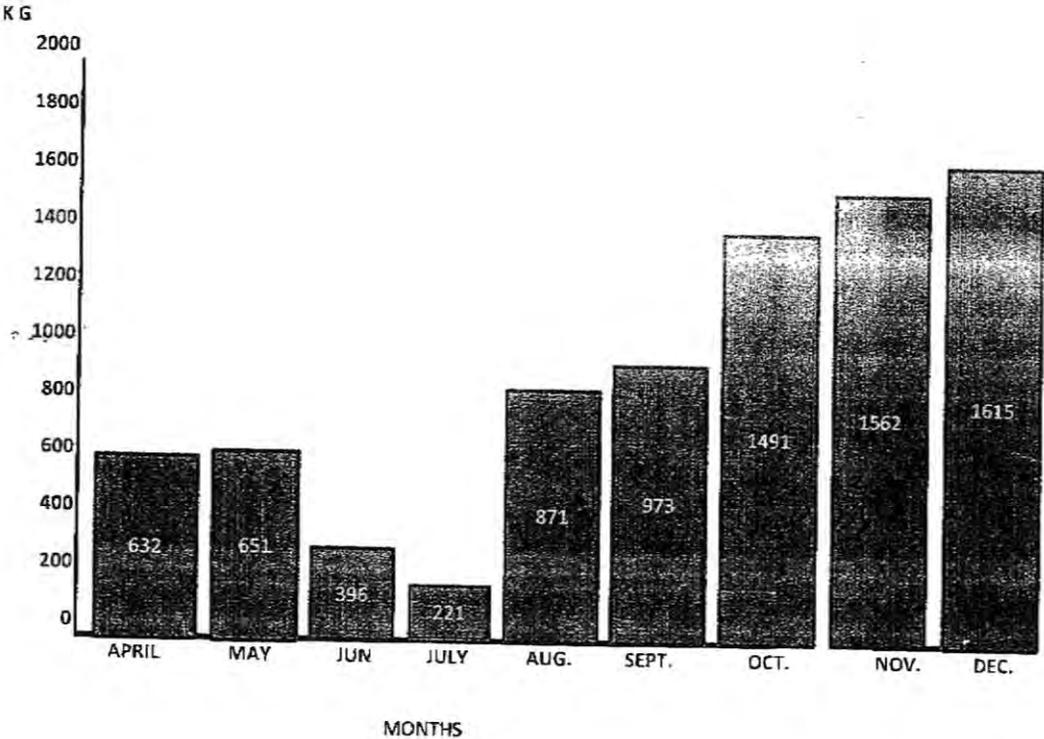
INCOME STATEMENT : 01/12/10 to 31/12/10

Prepared by: Makumbi Farm Cooperative Society Ltd

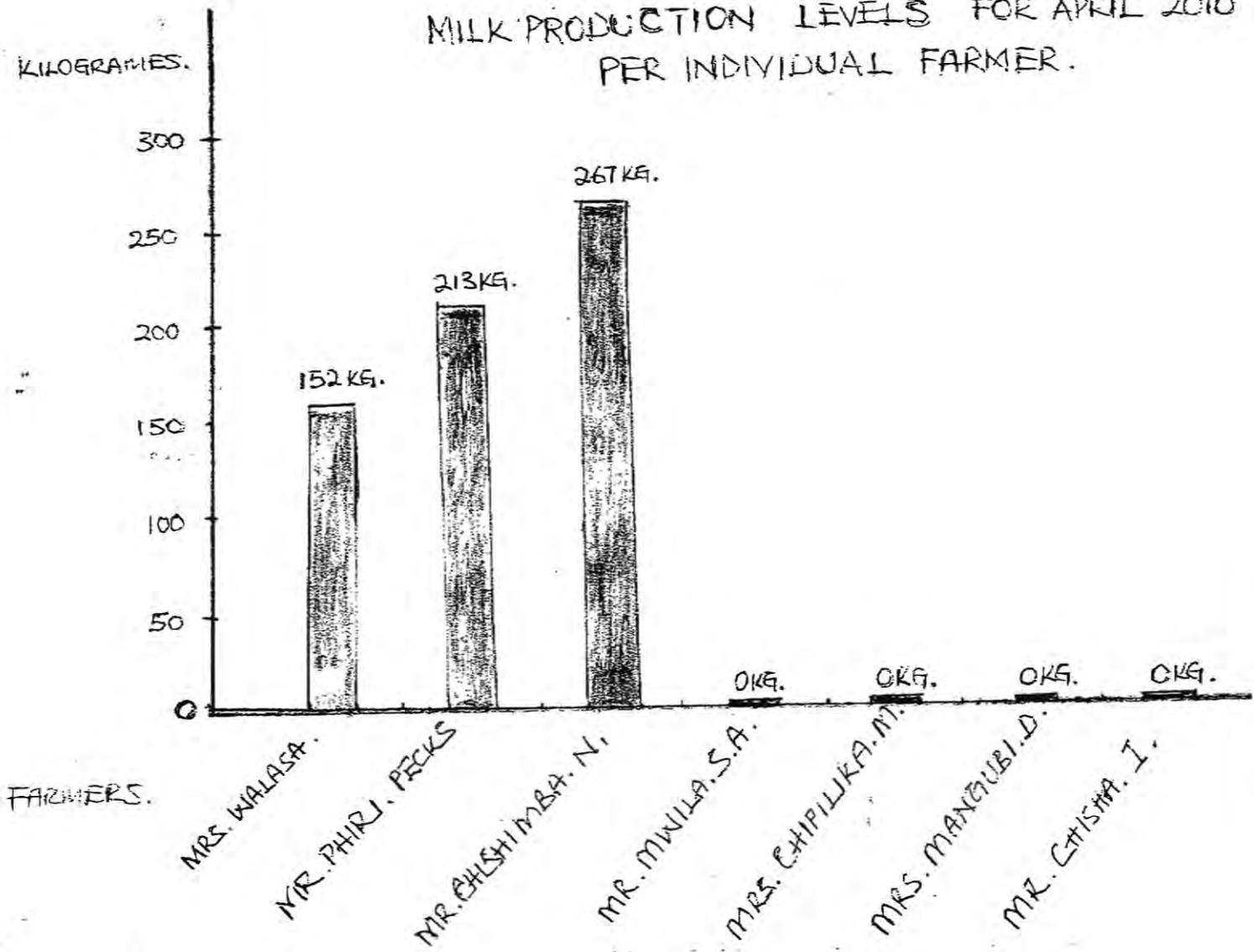
SALES		
Sales - Dairy	4,080,000.00	
Honey Sales	100,000.00	
Sales - Pork	3,923,000.00	
Sales - Bananas	376,000.00	
Sales - Poultry	3,900,000.00	
Vegetables	67,500.00	
Fish-Sales	30,000.00	12,476,500.00
COST OF SALES		
Operating Costs - Dairy	2,989,000.00	
Operating Costs - Pigs	3,532,000.00	
Operating Costs - Bananas	90,000.00	
Operating Costs - Maize	11,240,000.00	
Operating Costs - Poultry	2,113,500.00	
Operating Costs - Staff Costs	10,000.00	
Loose Tools	12,000.00	19,986,500.00
GROSS PROFIT / (LOSS)		(7,510,000.00)
OTHER INCOME		
Other Sales-Ploughing Fields	310,000.00	
Other Income-Lime	440,000.00	
Shop Sales	1,993,800.00	
Deferred Income	6,474,973.33	8,218,773.33
		708,773.33
EXPENSES		
Shop Purchases	968,800.00	
Shop Allowances	350,000.00	
Grocery Packaging	200.00	
Protective Clothings	45,000.00	
Bank Charges	512,558.00	
Cleaning	91,000.00	
Computer Expenses	250,400.00	
Consulting Fees	10,500,000.00	
Depreciation	1,608,118.00	
General Farm Expenses	1,615,000.00	
Insurance	1,794,012.50	
Interest Paid	1,053.85	
Members Allowances	645,000.00	
Motor Vehicle Expenses	4,470,000.00	
Office Stationery & Printing	1,000.00	
Rent Paid	500,000.00	
Repairs & Maintenance	2,791,679.00	
Salaries & Wages	3,600,000.00	
Staff Welfare	580,580.00	
NAPSA Contributions	175,000.00	
Telephone, Fax & Postage	170,000.00	
Travel & Accommodation	380,500.00	30,947,901.35
NET PROFIT / (LOSS) BEFORE TAX		(30,239,128.02)
TAX		
DIVIDENDS		
NET PROFIT / (LOSS)		(30,239,128.02)
		(86,573)

ATTACHMENT 3: CHIBOTE MULTIPURPOSE COOPERATIVE SOCIETY MILK SALES

ATTACHMENT 3
CHIBOTE MULTIPURPOSE COOPERATIVE SOCIETY
MILK PRODUCTION FROM APRIL TO DECEMBER 2010



MILK PRODUCTION LEVELS FOR APRIL 2010 PER INDIVIDUAL FARMER.



parmalat
ZAMBIA

(+260) 1 206908
(+260) 1 206909
parmalat@parmalat.co.zm
www.parmalat.co.zm

Supplier Account: 29
Account Number: 22223

KI
September 2
Chibote Multipurpose Cooperative Soc

			Value	Litres
Value Of Content:	22.90	Kg x 17,893.01	427,613.41	
	59.75	Kg SNF x 12,613.52	753,724.33	
			1,181,427.74	1,831,670.22

Volume Premium:	
Intercept:	169,0107
Constant:	0.0252620
Total Litres this Month:	645,0000
Days in this Month:	30
Average Litres per day:	21,5000

Sub Total:		131,710.10	204.20
Market Premium:	3.00	1,313,137.84	2,035.80
Total Value:		45,959.82	71.24
Tank Premium:	64.43	1,359,097.66	2,107.13
Quality Premium:	at 4%	0.00	0.00
Plus Tank Premium & Quality Premium:		54,363.91	84.29
		1,413,461.57	2,191.41

Add / less	
Description	Amount
Transport Charge at +20 per litre	(12,900.00)
Supplier at 0 per litre	0.00
Less	(12,900.00)

Cheque Amount: 1,400,561.57

11-November-2010

Feed Your Imagination

Milk Delivery Report

Supplier: 22223

Kitwe

September 2010

Account Number: 29

Chibote Multipurpose Cooperative Society

Delivery Date	Receipt Number	Milk Kg	Milk Litres	Butter Fat%	Butter Fat Kg	SNF%	SNF Kg
1-Sep-10	22000	38.04	37.0000	3.60	1.37	9.01	3.41
2-Sep-10	21999	44.20	43.0000	3.60	1.59	9.01	3.91
4-Sep-10	10001	32.90	32.0000	3.60	1.25	9.06	2.91
6-Sep-10	10002	26.73	26.0000	3.80	1.02	9.06	2.41
10-Sep-10	10003	41.12	40.0000	3.80	1.56	9.06	3.71
13-Sep-10	10004	45.20	43.0000	3.80	1.68	9.06	4.01
12-Sep-10	10005	42.15	41.0000	3.60	1.52	9.01	3.81
14-Sep-10	10006	35.06	38.0000	3.60	1.41	9.01	3.51
15-Sep-10	10007	40.09	39.0000	3.60	1.44	9.01	3.61
17-Sep-10	10008	42.15	41.0000	3.60	1.52	9.01	3.81
18-Sep-10	10009	40.09	39.0000	3.60	1.44	9.01	3.61
19-Sep-10	10010	41.12	40.0000	3.40	1.40	8.97	3.61
20-Sep-10	10011	71.16	70.0000	3.50	2.52	8.99	6.41
21-Sep-10	10013	41.12	74.0000	3.40	2.59	8.97	6.81
22-Sep-10	10014	41.12	42.0000	3.70	1.60	9.03	3.91

Grand Total:		657.89	645.0000	3.63	23.90	9.02	59.78
Date:	9-Feb-10		9-Aug-10	21-Sep-10	21-Sep-10		
Price:	32,000.00		46,000.00	89,000.00	143,000.00		

Grand Total: 65,789.78

ATTACHMENT 4: PRESENTATION TO COPPERBELT OUTGROWER INITIATIVE

Copperbelt Outgrower Initiative Phase II

Consolidating Economic Diversification

Cooperative Agreement No. **611-A-00-07-00002-00**

Project Implementation
 Begin Date: 24 September 2007
 End Date: 30 September 2010

Prepared by:
 Likando Mubombela
 Chief Executive Officer
 Zambia Agribusiness Technical Assistance Centre (ZATAC) Ltd

E-mail: lmubombela@zatac.org

GOAL

To contribute to broad-based economic growth of the Copperbelt

- Promote sustainable economic diversification away from mining related-incomes
- Link smallholders to profitable agribusiness value chains
- Increase competitiveness of smallholders and agribusinesses
- Scale up results and impact through leveraging of additional resources

Mission

Commercialize smallholder production

- Link smallholders to profitable value chains
- Increase competitiveness of smallholders and agribusinesses
- Leverage partnerships

Key Deliverables

- Access to non-mining related means of production**
 - Land
 - Labor
 - Capital
 - Knowhow
- Access to Markets**
 - Contractual
 - Other profitable markets
- Scale-up**
 - Leveraged resources

Desired Diversification Outcomes

- Smallholders have access to land
- Smallholders are using competitive technologies
- Smallholders have sustainable production and marketing services
- Sustainable non-mining related employment is created
- Smallholders are realizing sustainable non-mining related incomes
- Poverty is reduced

Technical Approach

- Support Smallholder Development thru Enterprise Development Approach NOT Income Generation Approach
- Facilitate Group Businesses and other SME Development and value chain participation
- Develop agricultural epicenters through irrigation schemes operated by group businesses (cooperatives)
- Provide sustainable production and marketing services through dedicated hired management at group business
- Synchronize production of cash crops to enhance economies of scale
- Link group business to agribusiness buyers to strengthen market access for farmers
- Provide trade finance as necessary to agribusinesses to facilitate rapid cash payments to farmers through their group business

Our Targets

Access to non-mining related means of production

PERFORMANCE INDICATOR 1.9: Volume of supported smallholder production(mt)

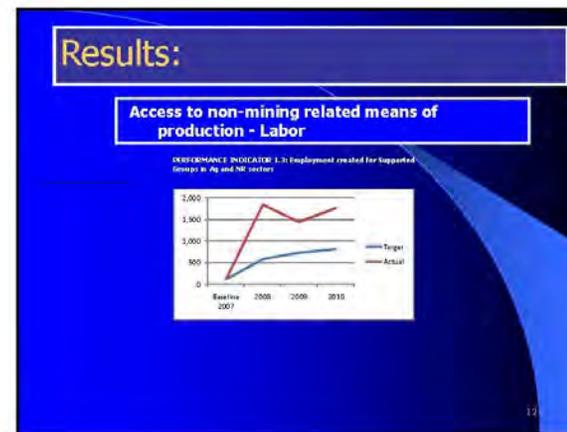
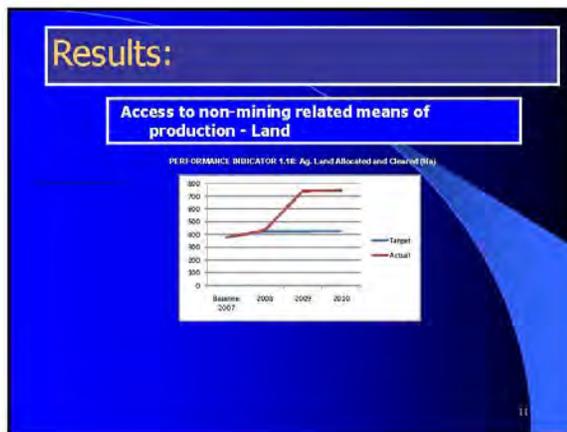
	2007	2008	2009	2010	Total
Fruit	15	120	192	284	711
Veg	0	120	240	320	680
Paprika	2	40	80	120	242
Honey	17	20	60	128	225
Total	34	280	472	752	1538

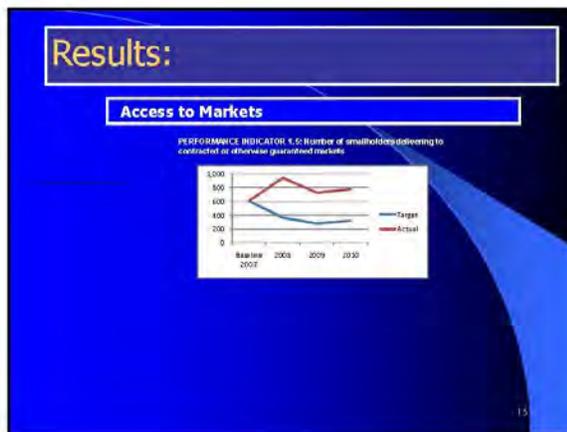
Our Targets

Access to Markets

PERFORMANCE INDICATOR 1.5: Number of smallholders delivering to contracted or otherwise guaranteed markets

	2007	2008	2009	2010	Total
Fruit	100	100	160	160	520
Veg	0	60	120	160	340
Paprika	19	200	400	600	1,219
Honey	489	200	300	420	1,409
Total	608	560	880	1,340	3,387





Impact – Key Achievements

Economic diversification has taken root	<ul style="list-style-type: none"> ✓ 715ha of rural land cleared and transformed into smallholder farmland ✓ Sustainable diversification into the following commodities achieved: <ol style="list-style-type: none"> 1) Garden vegetables 2) Bananas 3) Groundnuts 4) Dairy 5) Poultry (egg) 6) Pigs 7) Maize ✓ Farmers have continued agricultural production activities even after end of USAID-supported project ✓ Farming capability developed to smallholders, most were farmers' only residents of mining townships and/or former mine employees.
---	---

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Impact – Key Achievements

Competitive technology transfer accomplished	<ul style="list-style-type: none"> ✓ 63ha of the smallholder farmland equipped with year-round irrigation ✓ 174 smallholder producers earning sustainable annual incomes (USD 1.33/day) above national minimum wage and above UN poverty datum line
--	---

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Impact – Key Achievements

Strong community buy in	<ul style="list-style-type: none"> ✓ Electrification of 2 irrigation schemes; Barclays Bank and Care International ✓ Diesel power for 1 irrigation scheme; Mopani Copper Mines Plc ✓ Land clearing, agricultural equipment and operational support exceeding \$1.5million; Mopani Copper Mines Plc ✓ Land and farm -road clearing more than 310ha; Mopani Copper Mines Plc and Kalulushi Municipal Council
Promotion of gender equity in access to economic opportunity	<ul style="list-style-type: none"> ✓ X% supported smallholder producers women

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Key Obstacles

- Delays and unpredictability in release of USAID funds, leading to mismatches between project financing and seasonal production requirements
- Excessively long delays in electric power installation by the Zambia Electricity Supply Corporation (ZESCO) leading to serious compromise of project implementation work plans
- Poor soil fertility at Chibote irrigation scheme despite favorable soil and crop suitability analyses reports issued by Ministry of Agriculture and the University of Zambia respectively

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Key Stakeholders

- *Makumbi Cooperative; Board, farmers, Mopani Copper Mines Plc*
- *Chibote Cooperative; Board and farmers*
- *Lukoshi Cooperative; Board and farmers*

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ATTACHMENT 4B PRESENTATION TO ZATAC LTD



Propelling Zambia's Rural Economic Take-Off

A Non-Profit Zambian Organization
Facilitating Zambia's Smallholder Producers Access
To Non-Traditional, Higher-Value Markets

1

Our Vision

- ZATAC Ltd has a vision to consolidate its position as the "Center of Choice" in the provision of impact-oriented enterprise development services and to prominently assert itself as a leading player in transforming Zambia into one of the most advanced value-adding countries in the Southern African Region

2

The Mission

ZATAC Ltd's mission is to support the development of highly competitive value-adding rural enterprises in Zambia, in order to:

- 1) revitalize the rural economy;
- 2) contribute to broad-based sustainable economic growth;
- 3) Radically advance Zambia's quest to rank amongst the region's leading players in value adding operations.

3

ZATAC Trade & Investment Services

- Outgrower schemes
- SMEs
- Large Businesses
- Growth-Oriented Value Chains

- 1) Value chain, subsector and market analyses
- 2) Competitive producer mobilization, organization and strengthening
- 3) Business Planning
- 4) Enterprise Development Support
- 5) Technology Transfer and Technical Assistance
- 6) Market Development & Market linkages
- 7) Financial Services

ZATAC: Addressing Scale & Impact

Impact in All Provinces of Zambia:

- Lusaka
- Central
- Copperbelt
- Northern
- Northwestern
- Eastern
- Southern
- Western
- Luapula

Focus on Enterprise Development and Not Income Generation

Income Generation



- Participation in small-scale production and marketing
- Net income does not exceed minimum national wage
- Self-employment that may involve family members
- Natural resource gatherers/subsistence farmers/street vendors
- Stuck in poverty trap with minimal prospects for growth

Focus on Enterprise Development and Not Income Generation

Enterprise Development



- Participation in small-medium scale production and marketing
- Net income of entrepreneur exceeds minimum national wage before or after ED intervention
- Salaried employees before or after ED intervention
- Involves use of mechanized equipment or ICT in production process before or after intervention.
- Employees typically earn more than 1 USD a day before or after intervention.
- May create income generation opportunities for small-scale suppliers of raw materials

Investment Implications Per Client

Income Generation	Enterprise Development
 <ul style="list-style-type: none"> • Usually less than \$1,000 • Manual equipment • Usually no investment in transport 	 <ul style="list-style-type: none"> • Usually more than \$1,000 • Mechanized equipment • Investment in transport

Value Chain Approach

	Support to Processor Partner: US African Dev. Foundation	
Support to Processor Partner: Word en Daad		
	Support to Marketing Partner: SNV	

Lusaka

Partners: USAID, USADF, W&D, ImagineNations, Nike Foundation, MoA

	Examples: Resurrection of ZAMHORT, now trading as Freshpakt Zambia (horticultural canning)
	Resurrection of Enviroils 2000, now trading as Zambia Extracts Oils and Colorants (paprika processing and export)
	Establishment of ChoiceNuts Zambia Ltd (groundnut and beans grading, processing and export)
	Establishment of the LACCU Export Vegetables Irrigation Scheme
	Establishment of Ubuchi Capital Enterprises Ltd (honey processing and export)

Central

Partners: USAID, USADF, Sida, LDT, ImagineNations, Nike Foundation, MoA

	Examples: Resurrection of Mpima Dairy Scheme, Kabwe.
	Paprika Enterprise Development Support: CGA in Kabwe & Mumbwa District Farmers Association
	Expansion of Mushitu Safaris, Kafue National Park

Copperbelt

Partners: USAID, USADF, Barclays Bank, MoA, Mopani Copper Mines Plc, CARE International, ImagineNations, Nike Foundation

	Examples: Launch of two state-of-the-art irrigation schemes in Kalulushi and Mufulira
	Launch of new honey processing company, Kitwe
	Establishment of smallholder coffee wet processing mill in Chingola
	Groundnuts Marketing Project, Mpongwe

Northern

Partners: USADF, W&D, Sida, LDT, MoA



Examples:

- First time introduction of smallholder milk collection enterprises, Mpika, Mbala
- Dairy Processing Support to smallholder milk collection centre, Mpika

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Eastern

Partners: USAID, USADF, W&D, Sida, LDT, ImagineNations, Nike Foundation, MoA MoA



Examples:

- First time introduction of smallholder milk collection enterprise, Chipata
- Introduction of SME Development Fund (agro-processing, tourism, warehousing)
- Upgrading Support to Chimwemwe Lodge, Petauke

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Western

Partners: USAID, USADF



Examples:

- New industrial-scale beef processing plant in Limulunga
- Expansion of rice processing plant in Mongu
- Support to organic rice outgrower scheme in Sefila

15

Southern

Partners: USAID, USADF, Sida, ImagineNations, LDT, MoA



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Benefits of SME Development

Example: ZATAC Total 2003-2010

SME Development



- SMEs financed: 117
- Total SME Investments: USD 11,181,355
- Average per SME: USD 95,600
- Project Mgt Costs: USD 2.5m
- Total: USD 13,681,355
- Job Creation:

Permanent	490
Smallholder Suppliers	6,183
Seasonal	953
Total	7,626

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Future Directions



- More integration: TA & Financial Services
- Separate Financial Services Mgt
- Strategic Partnerships with Commercial Banks & Other Financial Institutions
- Intensification of Value Chain Focus
- Globalization of EDS

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ANNEX 8

EVALUATION OF THE FOOD SECURITY RESEARCH PROJECT (FSRP) – USAID/ZAMBIA ECONOMIC GROWTH END OF PROJECTS EVALUATION

March 11, 2011

Prepared for the United States Agency for International Development, USAID Contract Order
Number AID-RAN-I-00-09-00015, Task Order Number: AID-RAN-I-04-09-00015 Task
Order Title: USAID/Zambia Economic Growth End of Projects Evaluation

Implemented by:
Development & Training Services, Inc. (dTS)
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DISCLAIMER

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

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PROJECT DEVELOPMENT HYPOTHESIS, STRATEGIC FRAMEWORK DESIGN, AND RESULTS FRAMEWORK

USAID/ZAMBIA SO 5 PROGRAM DEVELOPMENT HYPOTHESIS

USAID/ZAMBIA's Strategic Plan for 2004-2010 included activities in a number of program objectives. The overarching Strategic Objective 5 (SO5) for the Economic Growth program was to “*increase private sector competitiveness in agriculture and natural resources*” within the region and internationally, of Zambian farmers and firms, with special focus towards Zambian small holder farmers. In the process of developing this focus, USAID/Zambia identified over the past ten years the main constraints to agricultural development and small-scale rural agri-business competitiveness to be:

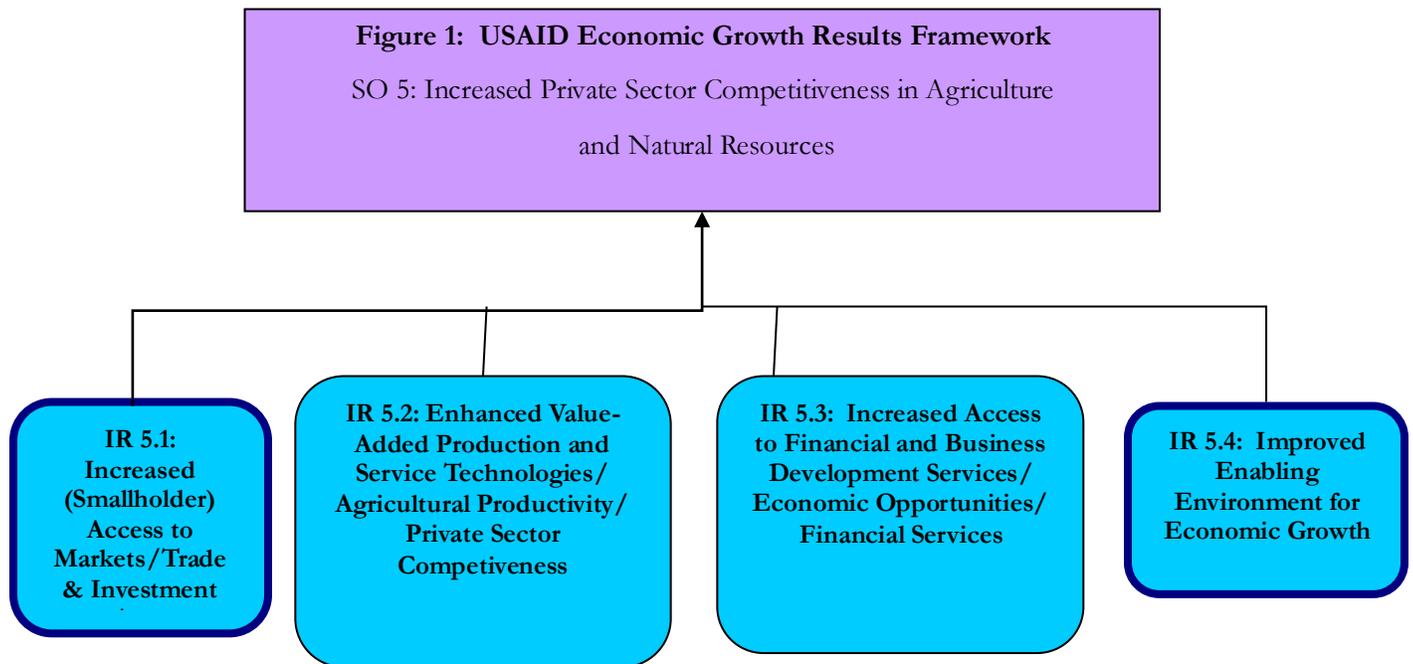
- (1) Lack of capacity, clarity, and consistency within Zambian Government to generate and implement liberalization policies, conducive to private sector-led agricultural growth;*
- (2) Poor market access and under-developed markets that limit production;*
- (3) Inadequate sources of finance and capital; and*
- (4) Low farm and firm-level production and productivity.¹*

This understanding of the principal constraints at the time led to creation of a Strategic Framework for the Zambia Economic Growth program which essentially posited the hypothesis that *‘by increasing private sector competitiveness in agriculture and natural resources, that the main constraints to agricultural development and small-scale rural agri-business competitiveness would be enhanced’*. There is also a clear intention that food security and improved economic welfare would also be enhanced among the rural poor targeted.

¹ USAID dTS Scope of Work for Zambia Evaluation, p. 1, 2010

FSRP was one of the programs developed designed to contribute to the above results. The USAID/Zambia strategic framework #5 is illustrated below in Figure 1.²

Figure 1: USAID Economic Growth Results Framework



² SO Framework from Updated Performance Monitoring Plan, USAID/ZAMBIA, 2004-2010, January 2009, p. 3

FSRP PROGRAM DEVELOPMENT HYPOTHESIS, STRATEGIC FRAMEWORK DESIGN & RESULTS FRAMEWORK

According to the Cooperating Agreement with USAID/Zambia signed back in September 15, 2003, all FSRP activities will support Strategic Objective #5 “Increased Private Sector Competitiveness” and specifically contribute towards Intermediate Result (IR) 5.4 “*Improved Enabling Environment for Economic Growth, that envisages support to ministries and other organizations in policy design and capacity building...The project will have direct linkages to both the Ministry of Agriculture and Cooperatives (MACO) and to other stakeholders in the agricultural sector through the Agricultural Consultative Forum (ACE)...Direct liaison with MACO is also appropriate because of this agency’s key role in agricultural policy analysis and policy guidance to the Government of Zambia.*”³

FSRP also notes that it contributes to USAID SO #5 IR 5.1 as well “Increased Smallholder Access to Markets” through its activities in ‘strengthening market information systems, informing policy makers on crop production, productivity and crop diversification issues, and assisting researchers in conducting economic analysis to evaluate conservation farming techniques’.⁴ The evaluation team suggests that FSRP has also indirectly contributed to IR 5.2 which includes ‘agricultural productivity and private sector competitiveness’.

Though not clearly stated, the development hypothesis that undergirds this program is that ‘with the right kind of quality information, working with the right set of stakeholders, the GRZ will make more informed decisions that will benefit the Zambian private sector’s competitiveness in agriculture. Or as stated by MSU itself:

“Improved information and capacity for agricultural sector policy analysis is intended to improve the enabling environment for private sector investment, agricultural growth, and food security....A premise of this...project is that technology development and transfer can be made more effective by linking together, through collaborative analysis, the relevant bodies in Zambia associated with agricultural information collection, research/extension, planning, and policy analysis. The ...project (will) seek to facilitate this interaction and promote the availability and use of household-level adoption, marketing, purchase, and end-use information by agricultural extension and extension organizations.”⁵

BACKGROUND

This evaluation seeks to assess whether or not the FSRP program between FY2004 and FY 2010 has achieved the goals initially set out and if project achievements and outputs indeed contributed to the USAID/Zambia SO 5 assistance objectives cited above. Does the availability of quality information about smallholder production systems lead to more enlightened GRZ policies? The evaluation team also, as requested, assessed the strengths and weaknesses of the development hypothesis above, and sought to document what worked well and what did not work so well. This combined with lessons learned and best practices, will help USAID/Zambia inform future initiatives in the country, and particularly the upcoming Feed the Future (FTF) initiative. The program under review ended in September, 2010, yet FSRP has been given a new five year funding from USAID of \$12,499,501 extending to October 2015. This reality posed

³ USAID, Associate Award to Michigan State University, September 15, 2003, p. B-4 (under the Food Security III Leader with Associate Cooperative Agreement).

⁴ Op Cit. p. B-4

⁵ Op. Cit. p. B-4 and B-7)

special challenges for the evaluation team in that we could not completely ignore the continuity of programs of FSRP, and its relationship to ACF, four months past the end of the period being evaluated. The outline of this report seeks to guide the reader through the responses to the key questions raised with respect to achieving the goals and objectives established.

FUNDING SOURCES

USAID had been the major funding source of the FSRP activities throughout its long existence in Zambia, expending over \$8 million over the past 10 years (cf. Table 1 below). Since 2009 SIDA has also contributed more than \$ 3 million to FSRP activities, making it a major contributor and partner to this joint effort. The FSRP project conducts applied policy research, capacity building of partners and stakeholders of the ACF, and has a strong outreach program. USAID/Zambia's recent more than doubling of its support of FSRP activities, through Michigan State University, is clearly an indication of strong approval for what has been accomplished to date, and GRZ expectations for the future.

Table 1: FSRP Funding

Project	Start Date	End Date	USAID Funding	Cost Share SIDA ⁶	Total Funding	Total Spent as of January, 2011
FSRP	October, 1999	September, 2004	1,900,000	-	1,900,000	1,900,000
	October, 2004	September, 2008	3,122,820	-	3,122,820	3,122,822
	January 1, 2007	February 28, 2009		\$1,676,337	1,676,337	1,676,337
	October, 2008	September, 2010	3,058,276	\$1,360,672	3,058,276	3,058,276
	January, 2009	September, 2010	-		1,360,672	1,360,672
		Total:	\$8,081,096	\$3,037,009		\$11,118,107
	January, 2011	December, 2011		\$672,959		
October, 2010	September 2015	\$12,499,501		\$12,499,501		

In order to accomplish USAID expectations for FSRP, project results would need to realize outputs in only one of USAID's IRs above. Why additional indicators were never created for two of the other IRs is not known. Did FSRP succeed in achieving the results established and the overall goal? The short answer would be a qualified "Yes" Output indicators were certainly met and greatly exceeded, and some impacts have been made in moving public policy and understanding of smallholder farmers in a manner that has been beneficial to private sector led growth. However, political realities still play the same leading role within Zambia as they did 10 years ago, and public policy still is largely controlled by political realities and not 'research-based' realities for economic growth.

STRATEGIES FOR COMMON APPROACHES, PROGRAM INTEGRATION, AND IMPACT DIFFUSION

When the USAID Economic Growth SO 5 projects were initiated in 2004, regular quarterly meetings were held to which ZATAC, PROFIT, FSRP, ACF, MATEP, and other programs contributed their shared experiences; discussed issues each were faced with. The purpose of these meetings was to share common approaches, and learn from each other. Unfortunately this did not last long, and by 2007, when many of these projects were receiving new cooperative agreements, and amendments to contracts, this exchange had ended entirely. Projects generally worked in different geographical areas, with different partners. The evaluation team was not able to determine why these regular exchanges ceased to take place. Perhaps it was believed that the Agricultural Consultative Forum (ACF) would fill this role through the regular forums that initially were taking place in the first few years, with FSRP providing the research base of findings to inform

⁶ SIDA funding to FSRP was established through a sub-agreement with Agricultural consultative Forum.

debate before addressing different issues with the Government of Zambia at the policy level. However ACF has become less and less proactive and effective in recent years in its originally conceived role, so became less able to fill this role.⁷

Outside of the regular meetings that had once taken place, FSRP has, nevertheless, worked closely with ACF, as was intended. Indeed, because of the vastly larger resources that FSRP had to work with, and its outreach efforts to other both government and non-government stakeholders, FSRP (managed by MSU) tended to eclipse ACF, the local Zambian institution through which much of its efforts were initially intended to flow. FSRP also became directly engaged with PROFIT on a number of their applied research efforts with respect to selected commodity chains.

Activities, outputs and impact of the FSRP were included in the USAID IR5.4 Results Framework on Improved Enabling Environment in Growth. A set of three activities were established by USAID/Zambia to monitor the progress of this project i.e. Capacity Building, Applied Research and Outreach. In the Capacity Building activity, the key performance indicators were number of individuals who received short-term agricultural enabling environment training as a result of USG assistance (sex-disaggregated); number of policy reforms analyzed as a result of USG assistance under Applied Research; and number of policy reforms presented for legislation/decreed as a result of USG assistance under Outreach.

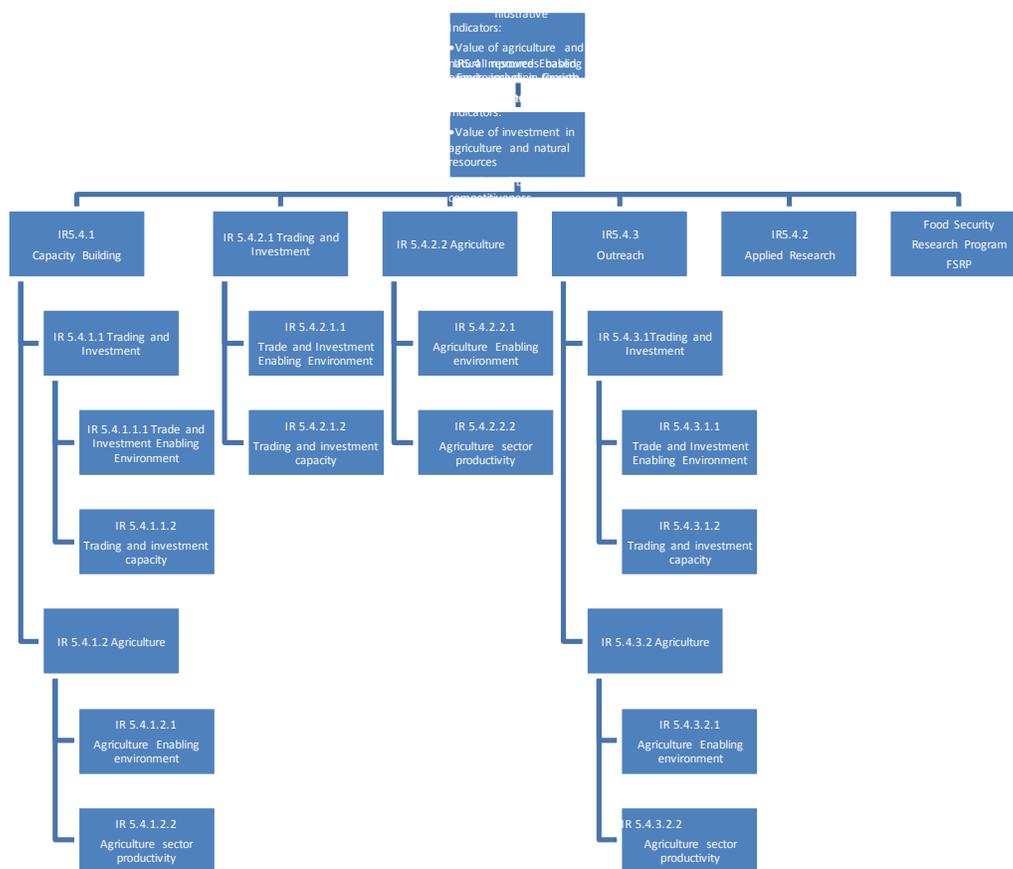
In each of the three activities, FSRP program areas of intervention were grouped under Trading and Investment and Agriculture (see the results framework below linking the various FSRP activities to SO5).

The stated mandate within the Trading and Investment area was to contribute to effective policy dialogue, capacity building, and ultimately an improved agricultural trade and investment in Zambia, through collaboration with government and private sector. Within the Trading and Investment program area, FSRP conducted policy research on Trade and Investment Enabling Environment, and on Trading and Investment Capacity. On the Trade and Investment Enabling Environment aspect, FSRP worked closely with ACF (also worked earlier with MATEP) to assist host country organizations, analysis and decision makers in the public and private sector to analyze the impact of local, regional and international trade on economic growth, productivity, poverty reduction, and gender equity. Special attention was focused on understanding and promoting productive roles for public as well as private firm investments. Regarding the Trading and Investment Capacity, FSRP worked with ACF and other local organizations to assist host country to improve basic information and analysis information and analysis skills to understand and overcome barriers to local and regional, as well as international trade and marketing of food and cash crops that contribute to smallholder income and welfare. Special attention was given to strengthening skills and to understand and inform investment and policy actions needed to assist smallholder to gain access to growing local, regional and international markets.

FSRP programs, and subsequent extensions and new cooperative agreements have continued to focus project result reporting on three specific areas: (1) capacity building, (2) applied research, and (3) policy outreach activities as shown in Figure 2 below.

⁷ Annex 9 provides a separate evaluation of the ACF program.

Figure 2: FSRP Economic Growth Sector Results Framework



In the area of agriculture, FSRP conducted research and outreach with government ministries and agriculture sector stakeholders to provide insights as to how both government and private firms can raise the productivity of smallholder agriculture and food security. FSRP monitored the impacts of changes in the agricultural policy environment by providing baseline information on smallholder production patterns and crop mix, input use, market behavior, and other basis information on the performance of the agriculture sector. FSRP also conducted research jointly with colleagues in Zambia that generated effective demand for policy analysis within Zambian government ministries, which raised odds of achieving meaningful agricultural policy improvements that promote USAID’s strategic objectives for the agricultural sector. Likewise in the Trading and Investment area, FSRP had two program elements in the Agriculture area, one on Agriculture Enabling Environment, and the other on Agriculture Sector Productivity. In both the agriculture elements, FSRP worked with ACF and other local organizations and individuals to improve basic information and analysis skills.

The emphasis in the Agriculture Enabling Environment was to understand and overcome barriers and identify opportunities for improved natural resources management with special attention to smallholder access to and use of land; to understand and overcome barriers and identify opportunities to improve market

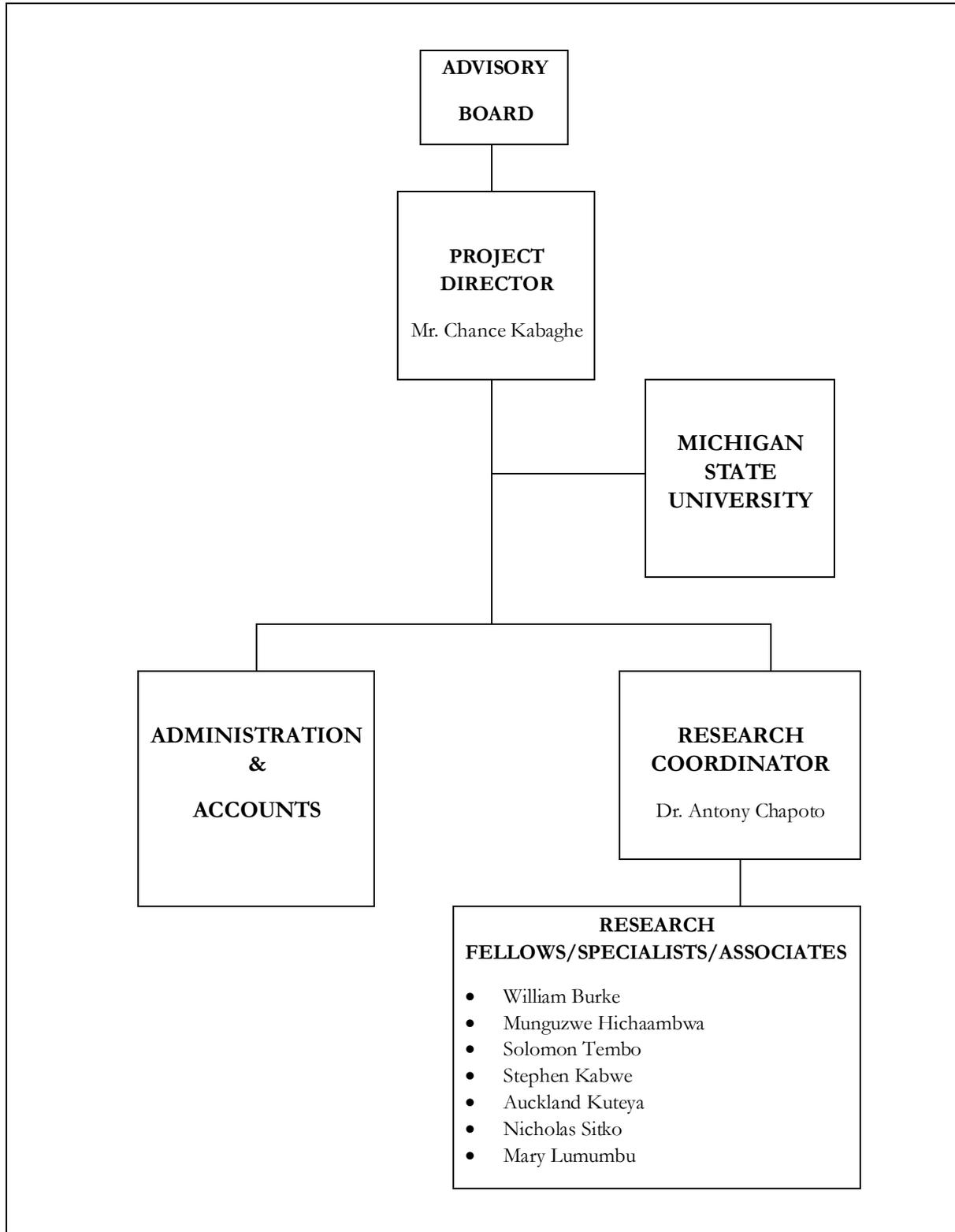
organization and performance for farmers, traders and consumers; and to understand more effective rules, laws, policies and other marketing standard operating procedures to help reduce marketing operations and transactions costs for smallholders, traders and consumers. The emphasis in the Agriculture Sector Productivity was to understand and overcome barriers, as well as to identify opportunities to improve market organization and performance for farmers, traders and consumers with focus on improving supply-chain management and market knowledge to help strengthen the performance and governance of private markets for business firms as well as for poor farmers and consumers; and to assist local supply-chain and business participants in industry and supply-chain specific strategic planning activities, including work to assist supply-chain coordination organizations and information and analysis to guide development of local supply and value chains and help stimulate rural and agriculture growth.

PROJECT MANAGEMENT AND COORDINATION

FSRP is managed by an Advisory Board consisting of 14 members, representing the donors (USAID and SIDA), Zambia National Farmers' Union (ZNFU), University of Zambia (UNZA) and the MSU. The Chairperson is the Director of Planning, MACO. FSRP meets with its Advisory Board twice annually to propose a research work plan for the year. MSU provides necessary technical support and is also responsible for the financial management of the project and donor relations. The day-to-day operations of the project are managed by a Project Director. Figure 3 below provides the organogram of the FSRP management and coordination in Zambia.

FSRP has worked very closely with ACF whose mandate has been to organize stakeholders meeting where policy issues relating to agriculture development are discussed. Issues that required policy research were brought to the attention of FSRP for developing research and reform papers. FSRP also worked very closely with the private sector, different government ministries and the NGO community that were either involved or interested in agricultural policy issues. MACO was the biggest collaborator and beneficiary of FSRP; with its expertise in policy research, MACO has come to depend on it for all its policy related needs.

Figure 3: FSRP Organogram



STAFFING & CAPACITY DEVELOPMENT

Capacity building of local staff was achieved through regular and continuous mentoring with MSU backstopping staff with specialized in-house training in statistical analyses with SPSS and STATA arranged. Other staff development activities included on the job training and skills improvement in data gathering, data analysis and report writing, and presenting findings in professional workshops and seminars.

M&E SYSTEM AND TARGETING OF BENEFICIARIES

The 2007 cooperative agreement contract clearly specifies that FSRP will develop a Monitoring & Evaluation Plan/Performance Monitoring Plan within the first 60 days of the award, and approved by the CTO of the project. There it stated that the Performance Monitoring Plan (PMP) should include:

- Progress against agreed-upon indicators from the Monitoring and Evaluation Plan to date;
- Identification of actual or potential challenges or threats to the successful implementation of the activity;
- Planned activities for the forthcoming quarter;
- A comparison of actual accomplishments with the goals and objectives established for the period, the findings the investigator, or both. Whenever appropriate and the output of programs can be readily quantified, such as quantitative data should be related to cost data for computation of unit costs;
- Reasons why established goals were not met, if appropriate; and
- Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.⁸

Performance of the project in implementation, and responding to the PMP indicators defined for performance monitoring, were to be reported through the quarterly reports as defined above. No such monitoring plan was developed. Instead the project relied on the three main activities- capacity building, applied research and outreach with LOP indicators, as outlined in the cooperative agreement. The project did achieve all the LOP indicators for the three activities.

PERFORMANCE INDICATORS: PROJECT OUTPUTS, OUTCOMES, & IMPACTS

The evaluation team was not able to find the PMP document that was to have been created by MSU for FSRP at the outset of the program. According to the FSRP management, USAID did not require a separate document of this kind to guide performance over the life of the project (even though required in cooperative agreement). This meant that unlike the other EG projects supported by USAID/Zambia (ZATAC, PROFIT), FSRP did not complete an indicator performance tracking table (IPTT) each quarter, that would be attached to each quarterly report.

USAID guidelines for the development of project PMPs ask that programs clearly show how project components and objectives are linked to the USAID/Zambia strategic framework within which the project was conceived. Project objectives lead to specific output, outcome, and impact indicators which will permit proper assessment by program managers of progress being made. Annual targets must be set for each indicator, with quarterly or annual reporting (as appropriate) of progress made in achieving these targets. Most quarterly reports are expected to include a summary Indicator Performance Tracking Table (IPTT) that

shows in one place progress being made by quarter/year towards end-of-project established targets. FSRP did not develop such a document, which should have served as a 'living document' and roadmap that is annually reviewed and updated throughout the life of the project.

USAID/Zambia created its own PMP for the economic growth portfolio of projects, as appropriate, but it does not appear that FSRP was contributing to it directly, each quarter, as requested by other EG projects like PROFIT and ZATAC. This document shows the Performance Indicator Reference Sheets (PIRS) defining the specific indicators that USAID itself is tracking for its own management purposes and reporting needs through its annual Operational Plan (OP). Different projects contribute to the various indicators. The only reporting requirements on the project performance were on three project deliverables given in Table 2 below. For a project of its size, the evaluation team believes FSRP could have been providing USAID/Zambia with a much more robust performance monitoring system, with indicators giving special attention to outcome and impact indicators. Project quarterly reports do not provide much information of this kind either.

Table 2: USAID/Zambia FSRP Operational Plan Indicators

Activity	Key Performance Indicators	Data Sources	Baseline	LOP Target	EOP Results
Capacity Building	Individuals who have received short-term agricultural enabling environment training as a result of USG assistance (sex-disaggregated)	Project surveys	25	50	55
Applied Research	Policy reforms analyzed as a result of USG assistance	Project surveys	7	15	78
Outreach	Policy reforms presented for legislation/decreed as a result of USG assistance	Project surveys	3	7	171

FSRP has done a tremendous job since 2004 in producing a large number of applied research papers for which there has been a continuing demand from the GRZ ministries, parliament, donors and private sector stakeholders, giving powerful witness to a thirst for informed decision making. As summarized below, under its capacity building efforts, FSRP completed 55 capacity building activities, with a large number of people trained. FSRP produced 78 high quality applied research publications requested by GRZ ministries, parliament and other stakeholders to objectively inform decisions on proposed new policies, revisions of old policies which impacted private sector productivity and competitiveness; 18 of these were completed in 2009 and 14 in 2010. Under the outreach activity, 171 documents were prepared for professional conferences for various stakeholders; 42 of these completed in 2010. A complete list of LOP targets achieved under the three activities is given in Attachment 1.

Summary Number of Capacity Building Activities

2004/2005	2
2005/2006	2
2006/2007	4
2007/2008	18
2008/2009	16
2009/2010	13
Total	55

Summary Applied Research Number of Activities

2004	6
2005	7
2006	13
2007	21
2008	9
2009	18
2010	14
Total	78

Summary Outreach Activities

2004	4
2005	28
2006	19
2007	24
2008	16
2009	38
2010	42
Total	171

Detailed information on FSRP publications is available on its website (<http://www.aec.msu/fs2/zambia/index.htm>), a major achievement in itself. The website provides valuable resources both regionally and internationally.

In terms of achieving the LOP targets, FSP exceeded targets for all three major program areas. In the capacity building activity, the target achieved was much higher where close to 300 individuals were trained in MACO and CSO alone. But the main concern expressed by FSRP was the high attrition rate of the Central Statistics Office (CSO) staff trained by FSRP. Frequently persons trained moved to more lucrative jobs in the private sector, leaving a vacuum of trained persons in the CSO, thus putting a continuous pressure on FSRP to train more staff. That was expensive, time consuming, and not a sustainable situation.

In the applied research activity, 19 reforms were analyzed; and 11 of them were presented for legislation/decreed under the outreach activity. A detailed list of policy reforms analyzed and presented for legislation/decreed is given in Annex 2. But one must ask the ‘so what’ question. There is no evidence that the FSRP actually assessed the outcomes and impacts of all this applied research (i.e., the papers being written and published in professional journals, or policy recommendations being made), so after over 10 years of substantial efforts but without any quantifiable, objective data showing impact, it is difficult to actually say that long-lasting impact has been achieved.

The evaluation team believes that FSRP has actually had significant impact in many areas in which efforts have been focused over these years, but the OP numbers do not tell this story. Given the high quality of FSRP research, and the program’s access to high quality data sets, much more could have been achieved in establishing outcome and impact indicators – for FSRP management itself, if not for USAID – to track impact and reaching of long term goals set. USAID/Zambia might have asked for more here. For example, FSRP could be tracking aggregate values of increased foreign investment into Zambia as a direct result of their initiatives (see text box below). This would represent the leveraging of USAID funding to achieve long-term greater impact. FSRP could be tracking values and volumes of the major commodities being exported from Zambia (and where they are going) - with emphasis on those value chains FSRP has been reporting on for the past ten years. Though not directly linked to the export markets, FSRP policy initiatives nevertheless have a fairly direct influence on such issues. It would have been useful for FSRP to have tracked, each quarter, the expatriate STTA costs and resulting reports paid for by USAID – as a percent of total annual budgets. Many other outcome and impact indicators could be defined.

Among the key achievements of FSRP were:

- Reduction in FISP input supply pack from 1 hectare to ½ hectare under the revised Farm Input Supply Program, that helped increase the crop productivity of maize from 1.4MT/ha to 2.0MT/ ha. It also opened an opportunity for the private sector to fill-in the gap to provide additional inputs for the remaining land under maize cultivation. FSRP worked with PROFIT and ACF on this very important initiative.
- Formulating of Marketing Act, Credit Act by introducing a Warehouse Receipt System. These acts however were still waiting to be enacted by the government.
- FISP E-Voucher Scheme proposal to increase timely access to inputs.
- Signing of the CAADP agreement and removal of VAT and 45% withholding tax, thus making private sector business activities more competitive and remunerative; now the question – what will actually happen as a result.

- Successful in persuading GRZ to set FRA price of ZK 65,000 instead of ZK85,000 in the 2010 marketing season.
- Reduced and harmonized inter-district grain levies
- Chayton Capital's decision to invest 1.1 trillion (about \$239 million) in Zambian agriculture sector in 2009 based on FSRP analysis (cf. text box below)
- Capacity building of MACO and CSO staff
- Capacity building of CSO as an institute able to collect and manage high-quality agricultural databases for future analysis – a public good for use by all
- Public good generation of SS data – used by many other analysts and research institutes

All these interventions contributed towards private sector being more competitive, but the full potential will only be realized when all the proposed acts are fully implemented. Value for money was limited so far due to slow implementation of various policy initiatives. Over a period of time a great deal, however, is expected to be achieved.

REPORTING AND COMMUNICATIONS

FSRP prepared quarterly and annual reports and submitted them to the USAID/Zambia's project CTO. These were well done, and submitted in a timely manner. The quarterly reports followed a highly structured and established format, with similar headings and sub-heading (shown below) reported upon from quarter to quarter, year to year. Beginning with section 4 of each quarterly report, a reader would begin to understand what had taken place during the previous three months. The established headings, from this point on, included:

4. Status of FSRP Activities in the Third (for example) Quarter 2010
 - I. Public Investment Allocation for Promoting Agricultural Growth
 - II. Productive Assets: Options for Sustainability Increasing Productivity and Incomes
 1. Land access, agricultural growth and poverty dynamics in Zambia
 2. Alternative Strategies for maintaining soil productivity
 3. Labor supply, HIV/ADS, and Agriculture
 4. Natural Resource Management
 - III. Marketing and Trade: Policies Affecting Input and Output Markets
 1. Maize Value Chain
 2. Cassava Value Chain
 3. Horticulture Value Chain
 4. Cotton Value Chain
 5. Fertilizer Value Chain
 6. Livestock Value Chain
 - IV. Consumption Behavior of Urban and Rural Households
 - V. Household Impact and Behavior
 - VI. General Policy Research and Outreach Support, Including Zambian Collaborator In-Service Strengthening
 - VII. Staff Changes
 - VIII. Project Visitors
 - IX. Most Recent Research & Outreach Publications Added to Web Site

Annual reports focused more on providing an overview of the major achievements of the past year, using the same format as given for the quarterly reports above, with a description of the main activities, and providing some analytical insight into progress made to achieve established objectives of the project.

Generally speaking, FSRP reports provided relevant information on the project activities and progress being made, but the progress was not linked to the USAID LOP targets, even though the project exceeded them. In addition to quarterly and annual reports, the project produced extensive lists of research papers published in scientific journals and in conference proceedings (on DVD and on the web page). FSRP really did an excellent job in reporting and communications. What consistently **does not appear**, is a real discussion **on the impact** of all the multitude of activities undertaken in the three major focus areas for the project.

CROPPING SYSTEMS AND FOCUS FOR IMPROVED PRODUCTIVITY, NUTRITION AND HOUSEHOLD ASSETS

VALUE CHAINS AND BENEFICIARIES TARGETED

FSRP meets with its Advisory Board twice annually to propose a research work plan for the year. Based on comments and input from the Board, and based on ad hoc input from USAID and others through the course of the year, FSRP finalized/updated its work plan. In this way, value chains targeted were a function of Advisory Board input. Between 2004 and 2010, the priority value chains were maize, cassava, fresh fruits and vegetables, cotton, and fertilizer.

The rationale for selecting these specific crop value chains was:

- Fresh fruits and vegetables: rapidly growing importance in smallholder agriculture. In 2003/04, the value of fresh fruits and vegetables marketed in Zambia was almost as high as maize
- Cotton: a major cash crop in Zambia, and a crop identified early on by the Advisory Board.

Beneficiaries: producers and consumers of these crops. According to FSRP, the general approach for improving the welfare and food security of smallholder farmers and women:

- Improved policy outcomes leading to improved welfare of farmers and consumers in Zambia believing that a better understanding of the effects of alternative food production, marketing, and trade policies + outreach could improve the quality of public policy decisions; and that improved public policy decisions will produce positive impacts for targeted recipients.

- Improved understanding of the effects of alternative policies. Even though in some cases that did not result in tangible policy change but nevertheless led to a more conducive policy environment to achieve positive outcomes in the future. This was a form of capacity building, i.e., nurturing a more sophisticated understanding of how markets operate, how certain policy actions may produce unintended consequences, how the private sector may respond to particular policy options under consideration, etc. All these constituted teachable moments that were valuable in that they may improve outcomes and impacts in the future.

But in practical terms, how has FSRP helped smallholder farmers? Who have been the primary beneficiaries of the program? When the evaluation team asked questions for evidence of FSRP impact, one provided by the project was impact on private investment in Zambian agriculture. A case study was provided to us, shown in the text box above. This case study is interesting on a number of fronts. Why did this international firm become interested in investing in Zambia? What was it that FSRP did that helped to make this decision? What is the foreign investor's opinion about this MSU driven program activity. An email to USAID from Chayton Capital management **provided** the answers to each of these questions, summarized below:

The key FSRP research titles that Chayton Capital referred to were found on the MSU FSRP website. They were:

1. *Regional Trade in Food Staples: Prospects for stimulating agricultural growth and moderating short-term food security crises in Eastern and Southern Africa; and*
2. *The 2008/09 Food Price and Food Security Situation in Eastern and Southern Africa: Implications for immediate and longer run responses*

As a private equity firm, it is imperative we make a strong case for investment into new regions or sectors. It has been exceedingly difficult to procure up-to-date research and data for Africa so MSU and the World Bank have been our main resources. Specifically, **the MSU research and website** has been invaluable in helping us build an investment case and strategy for our prospective investment in African agriculture. Furthermore, "*The 2008/09 Food Price and Food Security*

Zambia National Broadcasting Cooperation November 13, 2009

Firm to invest K1.1 trillion

A British company intends to invest an initial 235 billion Kwacha in Zambia's agriculture sector starting this year.

Chayton Capital operating as CHOBE Agrivision Limited further plans to invest over K1.1 trillion in Zambia in the next five years.

Commerce Minister, Felix Mutati, and Chayton Capital Executive Director, Karim Ola signed an Investment Promotion and Protection Agreement in Lusaka on Thursday.

Mr. Mutati described the venture as the largest single investment in the agriculture sector in 2009. He said CHOBE Agrivision which will venture in Wheat, Soya beans and maize production will employ more than 1,600 Zambians.

The company will develop 10,000 hectares and is expected to produce 60,000 tons of wheat, 45,000 tons of maize and 15,000 tons of soya beans per year.

And Ms. Ola said her firm will develop farms starting from Monze to Mkushi. She said Zambia is the first African country that is benefiting from Chayton Capital's **business activities**. She said the firm traditionally invests in emerging markets in Asia and Eastern Europe.

CHOBE Agrivision will become the largest agri-business in Zambia surpassing ZAMBEFF PLC.

Situation in Eastern and Southern Africa" (2 above) has been pivotal in supporting our case, to the Zambia government, for commitment to lift export restrictions.

We hope that USAID continues to support the MSU research team as we believe the research will continue to facilitate private sector investment. In Africa, the perception of risk far outweighs the actual risk and the MSU research helped us to identify keys risks and determine an investment strategy that would enable to mitigate them.”⁹

Clearly this initiative will create new jobs within the agricultural sector on large agri-business farms, but will not necessarily help smallholder farmers themselves who might be organized in some manner to provide the commodities sought for by this international firm. Perhaps this is something that might eventually be explored. Furthermore, it is MSU and not some Zambian research entity – not even ACF – that is reaping any of the praise for this initiative, which seems unfortunate. The real question is ‘would it be possible, within Zambia, to create such a Zambian professional entity to carry forward the applied research initiatives of FSRP’.

IMPROVED ECONOMIC AND FOOD SECURITY FOR SMALL HOLDER FARMERS AND WOMEN?

It is not easy to quantify socio-economic and food security impact for smallholder farmers and women in a development project, but MSU through FSRP has been undertaking such surveys for many years. FSRP has managed to do so to some extent in collaboration with CSO of the MACO by periodically collecting a full range of farm, health, and income data in one integrated national survey for the development of agricultural statistics necessary to provide the evidence on policy effects. Here the focus is on smallholder farmers and women in particular. Prior to 2004, there were no integrated surveys that combined detailed information on smallholder agricultural production with non-farm activities and health outcomes, including AIDS-related mortality. Having done that during this period, FSRP and others were able to assess the impacts of AIDS-related mortality on farm production and rural household incomes. The impacts specifically on women and widows was assessed and quantified. FSRP was not aware of specific policy changes yet within the Health Ministry, but it certainly has increased awareness of AIDS response programs on rural food security.

Another example of how, through its policy advocacy, FSRP is bringing a tangible effect on the welfare of women through its work on Food Reserve Agency (FRA) pricing. Based on intense lobbying by the Zambia National Farmers Union in late 2009 and early 2010, the Government of Zambia was considering the setting of maize producer prices at ZK 85,000 per 50kg bag (roughly US\$285 per ton). FSRP analysis showed that this price would result in extreme cost overruns for FRA and higher prices face by consumers with little or no gain to producers compared to a lower FRA price of ZK 65,000. FSRP analysis concluded that FRA would do better to set an even lower producer price. Although GRZ initially was not very keen for a lower sale price due to political implications, but in the end, GRZ did accept FSRP recommendations for the FRA price to be set at ZK65,000. FSRP survey research also showed that women-headed households were mostly maize buyers, not sellers. Therefore, by reducing the FRA's maize price, FSRP's outreach efforts were able to reduce the price at which female-headed households (as well as all maize purchasing households) bought maize.

⁹ Communication between Chayton Capital and USAID/Zambia, November 13, 2009.

Since maize purchases constituted about 20% of maize-purchasing rural households' total annual expenditures, the reduction in maize prices conferred tangible benefits to most female-headed households in the country.

REDUCED POVERTY?

In the above example where FSRP lobbied to convince FRA to reduce the maize price, it also contributed to the poverty reduction in rural areas by reduced food expenditures by the poor because rural poor were mostly purchasers of maize. In another example, FSRP was effective in reducing inter-district maize levies that have reduced marketing costs and local maize retail prices by about 8%. Again, because the rural poor were mostly purchasers of maize, the lower maize retail prices achieved as a result of reducing the inter-district maize levies also reduced maize expenditures of the rural poor, thus contributed to poverty reduction among the poor.

But perhaps even more important, the recent increasing pressure from smallholder farmers in the purchase of improved seeds, particularly hybrid maize seed, herbicides, and sprays for their cattle to control pests, is already beginning to have a very significant impact in (1) increasing yields and hectares under cultivation by smallholder farmers, (2) increasing herd sizes, because of reduced animal mortality, and expanding private sector markets that are increasingly becoming open to smallholder farmers, among which dairy must be one of the most important. FSRP annual household level rural surveys have already begun to pick up on these improvements, as in the case of the study completed in collaboration with the PROFIT project. All of these efforts are increasing household incomes of rural smallholder farmers, bringing them out of poverty.

SUSTAINABILITY OF FSRP PROJECT INITIATIVES WITHIN ZAMBIA

FSRP has been a well-run project that had been supported generously by USAID. However, it continues to be perceived as an outside project managed by an outside agency (MSU). Even though GRZ has benefitted a great deal from the presence of FSRP – not to speak of national and international firms interested in the data gathered, analyzed, and published on their web page - doubts were raised about how long the program can continue to operate in this manner, considering it is exclusively depended upon USAID funding and is managed run by MSU.

This problem has long been recognized by USAID/Zambia and a new phase of USAID funding of the FSRP project beginning in October 2010 and now underway, was designed to address the question of its Zambification. One of the earlier favored options was to merge FSRP with ACF which has a complementary role in organizing private sector stakeholders policy focused areas of concern and bringing these to the attention of FSRP for putting together the data needed to addresses these issues constructively. However, this option seems increasingly unlikely to materialize due to recent change in USAID and SIDA thinking. So, delayed Zambification of FSRP remained a concern and continuing challenge.

Another factor that contributed in its failed Zambification so far was that the Zambian staff trained by the project always find better job opportunities elsewhere, thus leaving a shortage of critical mass of staff required to run such a program within existing GRZ ministries and programs like the Central Statistical Office.

GOVERNMENT OF ZAMBIA AND POLICY INITIATIVES

In 2008, 2009 and 2010, FSRP contributed to the preparation of the GRZ CAADP through collaborative analysis and discussions with MACO. The Zambian CAADP was recently signed in 2011. While

implementation has yet to proceed, the signing of the *Zambian CAADP* signaled a policy course for the agricultural sector that was anticipated to result in tangible improvements in rural incomes, private sector investment in the agricultural sector, and improved household food security in Zambia.

ENVIRONMENTAL IMPACTS (IF ANY)

The project does not have any direct impact on environmental issues that we could determine.

CHALLENGES FACED AND OVERCOME IN PROGRAM IMPLEMENTATION

It was difficult during the various phases of the project to recruit and retain qualified and experienced Zambian staff as experts for the project. The demand for qualified Zambians for the kind of research work the project does is very competitive. The response has been to continue to train additional people, which is costly.

The nature of the FSRP board composition and its establishment as an Advisory Board has led to some board members taking a relaxed position in directing the project in its activities. Yet leaving implementation of program activities to project managers, and focusing on larger policy level issues and directions does appear to be an appropriate role for the Advisory Board. The Board should not be micro-managing the project.

At times it was difficult for FSRP to respond quickly to press queries or attend to key policy meetings as this required prior approval from the USAID Zambia office. This sometimes was not possible to do in the time period required, resulting in lost opportunities for communication.

FSRP's ability to focus and do professional work was challenging when the major client was Government, particularly true during times of political elections and the vested interests of specific individuals working in the Government.

Highly Successful Strategies

Several policies and Acts have been put in place by Government with liaison from FSRP. Examples include:

- The National Agricultural Policy
- Review of the Agricultural Credit Act
- Warehouse Receipt System
- Creation of the Zambia Agricultural Commodity Exchange
- Reforms to the Fertilizer Support Program
- Progression to the signing of the CAADP compact

Unsuccessful Strategies

A number of initiatives have not yet been successful, though continuing efforts seek good outcomes.

- Delayed implementation of the electronic voucher system
- Delayed Zambification of the project

Links to Government of Zambia (GRZ)

- FSRP was well linked to the Government through the Ministry of Agriculture and Cooperatives, the Ministry of Livestock and Fisheries Development and the Central Statistical Office in the Ministry of Finance and National Planning
- These institutions also sat on the FSRP Advisory Board and were therefore able to comment and advise on the activities of the project
- The Project Director and senior staff have had unimpeded access to various Government institutions including the Parliament Standing Committee on Agriculture and Lands

CONCLUSIONS, ACCOMPLISHMENTS, LESSONS LEARNED AND BEST PRACTICES

Contribution to USAID/Zambia SO 5: FSRP has contributed significantly over the past years to building up the capacity both within the GRZ and within the private sector of individuals with the kinds of technical skills needed for Zambia to become more competitive within agriculture and natural resource sectors of the economy. The improved enabling environment has benefited both professionalism within GRZ, as well as in providing increasing options for private sector businesses and smallholder farmers. Zambian private sector firms and smallholder farmers do have increased access to markets, and to the inputs that will help them to become more successful and competitive.

Applied policy research: FSRP has done an excellent job in the area of applied policy research which the MOCA lacked in Zambia. It has helped in instituting and implementing relevant applied research most of which have been adopted by Government in its policy reforms. In liaison with the Agricultural Consultative Forum the project has held many stakeholder forums/meetings at which evidence based research outputs have been presented, debated and shared with the participants to the extent that today FSRP has become a household name in Zambia because of its policy analysis work.

Employee Retention: GRZ will have to address low salaries for key personnel if it wishes to build internal expertise within government ministries or programs. No matter how impressive the data systems and GIS systems developed through MSU assistance may be, or how these are linked to newly developed data bases, unless trained personnel are retained within GRZ to continue to build these information systems, know where the data sets are, and how to use them effectively, all these systems have the potential for being lost when external donor support and funding are diminished or terminated. Current operations whereby GRZ depends on an external agency like Michigan State University and USAID funding to maintain its research programs are clearly not sustainable in the long term. After over 10 years of support to building such capacity within GRZ, a weaning process must begin for GRZ to take over its own responsibilities in this domain.

Dependency: Influencing public policies through an external project like FSRP, however well connected and collaborating with GRZ ministries and other influential stakeholders, will continue to move slowly, having minimal impact. GRZ, it appears, has become dependent at several levels over the past 10 years on the kind of quality research data needed to inform decision making – but expect – even demand – that such support

continue. This is creating an unhealthy dependency and there are few signs to suggest that really serious steps are being taken by GRZ to take the steps needed for a Zambian institution to have the capacity to fill these needs. Why such steps were not taken much earlier in the evolution are not clear, though the new phase funding seems to be more serious in this regard. We would strongly support the Cardno MATEP evaluation comment that “*USAID/Zambia might wish to make certain policy changes prerequisite for further assistance to the agricultural sector*”.¹⁰ Perhaps the recently awarded FSRP extension for another 5 years missed an opportunity to provide some real incentive for GRZ to move on such issues.

Sustainability: FSRP efforts in Zambia have not become sustainable. MSU has not yet created a Zambian private applied research institution capable of continuing the impressive record of research and statistics for Zambian decision makers. In the last annual report prepared for FSRP, the statement is made “*The rich database FSRP has maintained will provide for long period to come useful analysis on trends in the structure and behavior of vegetable markets*”.¹¹ This is true of other data bases developed including the Zambian rural household data sets used to identify relevant categories of resource poor smallholder farmers and their characteristics – something that will be valuable for the upcoming USAID FTF initiative. However this is only true if these data sets are not lost for some reason, or if qualified technicians are not in place to access and use them. If the project were to terminate today, even after more than 10 years of program initiatives, many, perhaps most, of the efforts established within GRZ institutions, particularly with respect to maintaining databases, continuing long-term research efforts and surveys, etc. could come to an end. Personnel would depart from key posts, leaving personnel who may not be able to fully maintain or exploit the resources that now are available in-country. The project still operates as an independent entity without being a registered Zambian institution. Therefore its presence in the Zambia is ad hoc in nature.

Partnerships: MSU, through FSRP, has developed very strong partnerships with GRZ institutions and other Zambian stakeholder groups. Unfortunately, the resources available and personnel strength of the program completely overshadowed and eclipsed what was to have become an increasingly viable Zambian local institution through whom many of its efforts were to have been implemented: the Agricultural Consultative Forum (ACF). The proposed merger with ACF, which is a registered private Zambian Association, could help move efforts towards sustainability. This merger process was the basis for the newest USAID/Zambia phase of funding beginning in October 2010.¹² However, there are a number of pending merger issues that were being discussed during the evaluation team’s visit, and a final decision is expected by the end of March, 2011.

Collaboration: It is clear that the involvement of key stakeholders such as MACO, MLFD, CSO, ZNFU, GTAZ, etc. in the work of FSRP has made it easier for the adoption of the various policy advice/reforms that have been developed and propagated.

Accomplishments: Among the key accomplishments of FSRP were persuading the GRZ to set a Food Reserve Agency price of a 50 kg bag to ZK65,000 instead of ZK85,000 in the 2010 marketing season; reducing and harmonizing inter-district grain levies; capacity building of MACO and CSO staff; capacity building of CSO as an institute able to collect and manage high-quality agricultural databases for future

¹⁰ Cardno Emerging Markets, MATEP End-of-Program Evaluation, Final Report, October 29, 2010, p. 30.

¹¹ FSRP Project – Zambia, Annual Narrative Report, October 1, 2009 – September 30, 2010, p. 7.

¹² Michigan State University proposal for funding, October 1, 2010 – September 30, 2015, September 21, 2010.

analysis; help and participation in the formulation of Agricultural marketing Act (Layman's Bill) and Agriculture Credit Act (warehouse receipt program); Farm Input Supply Program (FISP) E-Voucher proposal; and reduced FISP pack size thereby nearly doubling the beneficiaries and increasing the per unit area yields.

Training: Excellent leadership provided by Michigan State University has led to the project being well managed and well-staffed. The FSRP has, as a result, built the capacity of scores of Zambians over the years that have moved on into other influential positions both within Zambia, the region, and internationally. The only significant problem has been that there was a high rate of attrition of the trained staff, particularly within the CSO.

Applied Research: It is impossible to over-estimate the impact of FSRP applied research papers on the Zambian economy since 2004. The continuing demand for continuing similar support is witness to the need for informed decision making. FSRP-linked personnel have written a large number of high quality reports which have contributed to the objectives established in each of the three major three LOP targets. The project exceeded all the LOP targets. Among the main concern was that some of the acts proposed to the government (e.g. Marketing Act, Credit Act) have yet to be acted upon by the government.

Web Page: The quality web page, (<http://www.aec.msu/fs2/zambia/index.htm>), with over 211 professional documents posted, has permitted widespread sharing of information nationally, regionally, and internationally. Information posted there has been proven to lead to concrete benefits for the Zambian economy and private sector competitiveness regionally.

Performance Monitoring Plan: FSRP did not have a robust PMP for the project; it did not have sufficient performance indicators with special attention to project outcome and impact for each of the Intermediate Results and SO itself. What are reported as 'evaluation indicators' are in fact nothing more than 'output or process indicators', and not outcome or impact indicators. This was a missed opportunity to demonstrate the actual outcomes and impacts of this important project. Presence of such a document and quarterly Tables of Indicators being reported upon would have made the reporting and monitoring of the activities easier. Quarterly reports focused too much of what had been done in the past quarter, or planned for the next quarter, and not enough on analytic commentary about program outcomes and impacts with respect to program goals and objectives.

Impact: What consistently **does not appear**, in project reporting, or through the limited performance indicators being monitored, is a real discussion **on the impact** of all the multitude of activities undertaken in the three major focus areas for the project. To be successful, such a discussion would need to incorporate objective data from year to year on a selected number of outcome and impact indicators. This did not exist.

SUMMARY RESPONSES TO KEY EVALUATION QUESTIONS

The evaluation team was asked to assess whether or not USAID/Zambia Economic Growth SO 5 project - ZATAC, PROFIT, ACF, and FSRP - had "*achieved the goals as originally agreed, and to what extent project outputs contributed to the economic growth program assistance objective*". Three specific evaluation questions, as well as a series of sub-questions, were framed by USAID/Zambia in our Scope of Work.¹³ These questions and our summary responses to them are provided in the text box below.

¹³ The evaluation scope of work may be reviewed in Annex 1.

1. Strategic Design: Was the Results Framework structured effectively to lead to the SO5 objective – results – targets?

- a. Which sub-tasks or individual activities of the project were most/least effective, why?
- b. Assess how the project achieved performance targets.
- c. Was the project successful in promoting smallholder farmers' welfare, in terms of increased incomes, and increased sales? The question does not apply to ACF and FSRP.
- d. Have project activities supported creation of self-sustaining economic linkages? To what extent has the project prepared similar organizations/projects to take up its current role?
- e. Have private sector partners integrated HIV/AIDS prevention into the core of their businesses? The question applies to PROFIT and ZATAC.
- f. What were the major accomplishments of each project?

2. Operational: To what extent were the individual projects linked in order to contribute to the overall SO5 objective of increasing private sector competitiveness?

- g. Has the project contributed to the overall economic growth assistance objective of increasing private sector competitiveness?
- h. Which tasks in the program description contributed most/least to the assistance objective?
- i. Do project outputs contribute to the assistance objective?
- j. Has the project delivered value for the money? Has this been a cost effective intervention?

3. Impact: Were the individual project objectives – results – targets reached as expected?

Strategic Design

The FSRP results framework was not structured very well, with respect to what the program was designed to accomplish within the context of the USAID SO #5 framework. A quick review of the project results framework in Figure 2 shows that only Intermediate Result 5.4 was targeted for indicator performance review for three areas of program enabling support: capacity building, applied research, and outreach. And for an \$8 million project, only 3 operational output indicators were tracked, with no outcome or impact indicators identified at all. At the lower levels within Figure 2, the three branches are mirror images of each other, not really providing additional information. The real problem with this framework is that FSRP actually contributed to other SO 5 Intermediate Results as well – something actually pointed out in the initial project proposal as well. FSRP actually contributed to the other three IRs of SO 5: IR 5.1 Increased Access to Markets/Trade & Investment Area, IR 5.2 Enhanced Value-added Production and Service Technologies/Agricultural Productivity/Private Sector Competitiveness, and IR 5.3 Increased Access to Financial & Business Development Services/Economic Opportunities/Financial Services. The Results Framework should have had four branches correspondent to each of these IRs, and the branch concerning the 'enabling environment' would then have appeared only once, with its three sub-branches. Yet not one output, outcome, or impact indicator was every developed to track performance of this kind.

FSRP was most effective in the organizing for and then implementing the applied research activities identified by either itself, or its stakeholders as necessary to inform public debate and to move or revise proposed

legislation. Though FSRP was designed to ‘go through’ ACF’ for much of its policy identification and then communications with GRZ, FSRP because of its significant resources and professional staffing soon overshadowed ACF in this regard as well. FSRP quickly covered the entire range from identification of themes for research policy, to the applied research itself, and then in the communication with GRZ and other stakeholders about the implications of this research on public policy. Perhaps one reason the ACF increasingly seems to have become diminished in effectiveness over time was because its provide sector stakeholders were not organized well enough themselves as a group to drive the agenda, and ended going directly to FSRP to drive specific interests of the stronger organizations.

FSRP was also highly influential through the web page that was established and in which one could have access to the wide range of professional research papers and studies undertaken. 211 documents are currently posted there, representing a very valuable resource both nationally as well as regionally/internationally.

In terms of sustainability, FSRP activities are not sustainable within Zambia as currently structured. Should USAID funding end, the MSU-led program would probably gradually disappear from Zambia as personnel were terminated or moved away.

Operations

FSRP did work closely with ACF and more directly with various GRZ ministries and services (CSO) in achieving its objectives. However, with the exception of some activities with the PROFIT project, the program did not link with either ZATAC or MATEP in reinforcing their needs for policy advocacy. The evaluation team encountered issues that could have resulted in increased competitiveness within the lumber industry had these issues been early brought up with GRZ and led to new legislation with respect to the Forest Service. It is unfortunate that the US EG SO 5 projects ceased to interact directly on a quarterly basis on areas of mutual interest, problem sharing and learning from each other. Overall, FSRP’s effectiveness in contributing to the overall EG assistance objective of increasing private sector competitiveness cannot be overestimated. The continuing demand for continued such service support from GRZ ministries, Parliament, donors and private sector stakeholders is testament to both past usefulness of this program, and its continuing need.

Program areas that contributed greatly to the assistance objective are listed below, but several areas of effort were less effective. This would include continuing delays experienced with the Marketing and Credit Acts that effect the maize value chain and the Fertilizer Value Chain. In spite of a robust training program, and over 300 individuals trained in MACO and CSO alone, high attrition rates continue to plague GRZ services supported by the project, casting doubt on the long term impact of this training on these specific GRZ services. Human capacity building training is never lost, and this training will certainly be put to good use within Zambia’s private sector and in the regional and international organizations that have hired these talented people away.

FSRP has certainly provided value for money spent, but it was not possible for the evaluation team to objectively quantify this as the program did not create and track the outcome and impact indicators for the four IRs of this SO #5 that they might have.

Impact

Achieving impact takes time, and this is especially true within the policy environment. FSRP exceeded all LOP USAID Operational Plan indicator performance targets under the three activities. For capacity building, 55 short-term training programs were completed, exceeding the initial target of 50. Many individuals were

trained, thereby increasing the capacity of GRZ ministries and partners in undertaking applied research, data collection, analysis and reporting. For applied research activities, 78 research projects were undertaken and completed for various GRZ and stakeholders on a host of different agricultural themes, exceeding the initial EOP target of 15, with 18 of these completed in 2009 and 14 in 2010. For outreach activities, 171 project surveys were conducted linked to policy reforms under review, greatly exceeding the initial EOP target of 3 such surveys, and 42 of these were done in 2010 alone. One might suggest that, for a project that was to run for 7 years, the initial targets may have been set too low, and should have been revised upwards. But the initial PMP does not seem to have been significantly revised over time.

Among the key achievements was adoption of a recommendation under the FSIP in reducing the input supply pack by 50% (subsidized inputs for ½ ha. rather than 1 ha. for smallholder farmers) that helped increase yield/hectare maize production and areas (up to 2 ha/farmer) among smallholders through intensive management of their maize from 1400 kg/ha to 2000 kg/ha. This is a clear example of where FSRP had an impact on IR5.2, and it might have been possible to quantify this impact over time. FSRP also helped in opening an opportunity for the private sector to fill-in the gap to provide additional inputs for the remaining land under maize cultivation, a contribution to IR 5.1. Other achievements were formulation of Marketing Act and Credit Act by introducing a Warehouse Receipt System. Once these recommendations are approved, these acts will have significant impact on agricultural production and marketing of agricultural produce, showing impact under IR 5.3. The recent signing of the CAADP agreement also impacts IR 5.1 and IR 5.3. FSRP was also instrumental, in close collaboration with ACF, in removing VAT and 45% withholding tax, thus directly helping traders and farmers to improving their profit margins. FSRP also helped reduce the subsidized procurement of maize price from ZK 85,000 to MK 65,000 for each 50 kg of maize, thus creating opportunities for the private sector to play a role in the agriculture sector in Zambia, another quantifiable impact to IR 5.1.

RECOMMENDATIONS

In view of the foregoing, it is recommended that:

Improve Performance Monitoring Plan and Project Reporting: Greater attention needs to be given to taking better advantage of FSRP data bases and resources to track the program's outcome and impact over time by creating such indicators. USAID OP indicators are not sufficient for performance monitoring. PMPs should be annually reviewed and updated, including a review of indicators, and data quality. The project phase reviewed by the evaluation team ended four months ago, so nothing can be done to correct the situation, but since USAID continues to support FSRP into a new phase, much better performance monitoring needs to take place, with additional outcome and impact indicators created. Even though outcome/impact indicators are more long-term in nature to achieve, this does not mean that they should not be tracked through quarterly reporting, and certainly annual reports should as access in some objective fashion progress being made.

Database Backup: Beyond the valued capacity building aspect of the FSRP project, probably one of the most valuable, and irreplaceable, resources, established are the extensive databases that are now in place for different commodity chains, for smallholder farmer data surveys, etc. The program needs to be sure that these databases are fully backed up and stored in locations both in-country and possibly out-of-country (MSU?) where they can be replaced if lost, or corrupted. Attention may have been given to this issue, but it is not discussed in any publication reviewed.

Continue Applied Research: Need for FSRP-type applied research services will continue, given the continuing need for quality data from what is considered an ‘independent’ source. Such continued effort should be done through a Zambian institution, preferably private sector – to permit salary levels and benefits that might attract and retain the professional expertise required.

Proposed Merger with ACF: Caution should be given to the proposed merger process with ACF, given the very different levels of capabilities and goals/objectives inherent between FSRP and ACF, and the fact that FSRP is still currently a USAID-supported institution, through an American University. Whether merged or not, the resulting Zambian institution(s) will require a broad-donor base of support, so that no one donor is perceived to ‘control’ the agenda. Future funding support revenues would need to come from the Zambian private sector, regional and international stakeholders, international donors or other international institutions (like the World Bank).

Stand-Alone Private Institution: Becoming a private Zambian research institute might best build upon what FSRP has achieved to date. It was not clear what will be gained by the proposed merger with ACF, other than perhaps creating a mixed message to stakeholders and donors alike about their respective missions.

ATTACHMENTS

ATTACHMENT I: CAPACITY BUILDING

Detailed list of LOP targets achieved under the three activities of FSRP from 2004-2010

<i>2004/2005 Capacity building activities</i>	<i>No. of beneficiaries</i>
1. Training of CSO and MACO staff in basics of SPSS computer software	40
2. Training of CSO and MACO staff in data analysis using SPSS	15

<i>2005/2006 Capacity building activities</i>	<i>No. of beneficiaries</i>
1. Training of CSO and MACO staff in crop survey data cleaning	8
2. Training of MACO staff in collection of vegetable trade and price data	2

<i>2006/2007 Capacity building activities</i>	<i>No. of beneficiaries</i>
1. Training of CSO and MACO staff in crop survey data cleaning	14
2. Training of CSO and MACO staff in the conduct of the Urban Consumption Survey	50
3. Training of UNZA students in the cleaning and analysis of Urban Consumption Survey data	6
4. Training of enumerators in the conduct of the tomato production and marketing survey	20

<i>2007/2008 Capacity building activities</i>	<i>No. of beneficiaries</i>
1. Training of CSO and MACO staff to implement the second round of the Urban Consumption Survey	50
2. Training of MACO/AMIC and CSO staff on processing agricultural trade and price data	2
3. Training of cassava traders on cassava marketing and processing data collection	4
4. Training of MACO staff on supervising the Urban Consumption Survey	2
5. Sponsored an analyst from the Grain Traders Association Secretariat of Zambia to attend a training workshop on agricultural statistics	1
6. Training of UNZA student in the cleaning and analysis of Urban Consumption Survey data	3
7. Training of MACO staff in tracking public agriculture expenditure data	2
8. Training of MACO and CSO staff in crop forecast and post-harvest survey data cleaning and analysis	15

9. Provision of technical guidance and assistance to MSU student in analyzing issues associated with consumption substitution among staple foods	1
10. Graduate internship for work on fertilizer marketing and benefit cost analysis of the Fertilizer Support Program	1
11. Graduate internship on analysis of trends in cereal consumption in Zambia	1
12. MSc training in tomato value chains analysis	1
13. Training of CSO, MACO and Zambia Peace Corps in conducting the supplemental rural survey	600
14. Graduate assistantship on natural resource and agricultural productivity	1
15. Graduate assistantship on regional agricultural trade flows	1
16. Training of CSO staff on collection and use of agricultural trade statistics	1
17. Continued assistance to service providers receiving USG assistance	4
18. Training PANOS staff on measuring the effects of HIV/AIDS	1

<i>2008/2009 Capacity building activities</i>	<i>No. of beneficiaries</i>
1. Training of CSO and MACO staff on use of Urban Consumption Survey results	2
2. Training of MACO and CSO staff in Crop Forecasting Survey data cleaning and preparing national crop production estimates	19
3. Training of cassava traders in cassava utilization and other value chain issues	4
4. Sponsored a small scale trader from the Grain Traders Association of Zambia to a training workshop on agricultural finance and marketing	1
5. Sponsored members of the Cotton Association of Zambia to a technical workshop on cotton production in Burkina Faso	2
6. Training to UNZA student in cleaning and analysis of rural survey data	6
7. Training MACO staff in public agriculture expenditure tracking	1
8. Continued provision of technical guidance and assistance to MSU student in analyzing issues associated with consumption substitution among staple foods	1
9. Continued graduate internship on analysis of trends in cereal consumption in Zambia	1
10. Continued MSc training in tomato value chains	1
11. Graduate assistantship for analyzing the impact of game management areas on rural household welfare	1
12. Training of CSO and MACO staff in crop forecast verification and utilization in April 2009	14
13. Training of CSO and MACO staff in crop forecast verification and utilization in September 2009	19
19. Continued graduate internship for work on fertilizer marketing and benefit cost analysis of the Fertilizer Support Program	1

14. Continued graduate assistantship in natural resources and agricultural productivity	1
15. Continued assistance to service providers receiving USG assistance	4
16. Continued graduate assistantship in regional agricultural trade flows	1

<i>2009/2010 Capacity building activities</i>	<i>No. of beneficiaries</i>
1. Training of CSO and MACO in electronic processing of crop forecasting survey data in preparation for analysis and preparation of national crop production estimates	18
2. Training of CSO and MACO staff in analyzing crop forecasting survey data and preparation of national crop production estimates	12
3. Sponsored a small-scale trader and the Secretary of the Grain Traders Association of Zambia to the Agriculture Commodity Trade in East and Southern Africa policy seminar "Food Price Variability: Causes, Consequences, and Policy Options" in Maputo, Mozambique	2
4. Continued provision of technical guidance and assistance to MSU student in analyzing issues associated with consumption substitution among staple foods	1
5. Continued graduate internship for work on fertilizer marketing and benefit cost analysis of the Fertilizer Support Program	1
6. Continued graduate internship on analysis of trends in cereal consumption in Zambia	1
7. Continued MSc training in tomato value chains	1
8. Continued graduate assistantship in natural resources and agricultural productivity	1
9. Continued graduate assistantship in regional agricultural trade flows	1
10. Graduate assistantship for analyzing the impact of game management areas on rural household welfare	1
11. Graduate assistantship on conservation farming	1
12. Provision of logistical assistance to MSc thesis work	3
13. Continued assistance to service providers receiving USG assistance	4

Summary Number of Capacity Building Activities

2004/5	2
2005/6	2
2006/7	4
2007/8	18
2008/9	16
2009/10	13
Total	55

ATTACHMENT 2:APPLIED RESEARCH

2004

1. [Recommendations for Adjusting Weights for Zambia Post Harvest Survey Data Series and Improving Estimation Methodology for Future Surveys](#). David J. Megill. Working Paper 13. March 2005. (CDIE reference number PN-ADH-690)
2. [Levies on Agricultural Commodities: Who Benefits? A Rapid Assessment](#). Billy Mwiinga, Julius Shawa, T.S. Jayne, and James Shaffer. Working Paper 12. April 2005. (CDIE reference number PN-ADH-689)
3. [Recommendations on Sample Design for Post-Harvest Surveys in Zambia Based on the 2000 Census](#). David J. Megill. Working Paper 11. February 2004. (CDIE reference number PN-ADH-688)
4. [Cotton in Zambia: an Assessment of its Organization, Performance, Current Policy Initiatives, and Challenges for the Future](#). David Tschirley , Ballard Zulu, and James Shaffer. Working Paper 10. February 2004. (CDIE reference number PN-ADH-687)
5. [Household Level Financial Incentives to Adoption of Conservation Agricultural Technologies in Africa](#). Steven Haggblade, Gelson Tembo, and Cynthia Donovan. Working Paper 9. February 2004. (CDIE reference number PN-ADH-686)
6. [An Assessment of Current Policy Initiatives in Zambia's Cotton Sector](#). Ballard Zulu and David Tschirley. Number 9. 2004. (CDIE reference number PN-ADH-765)

2005

1. [Impact Of HIV/AIDS-Related Deaths On Rural Farm Households' Welfare In Zambia: Implications For Poverty Reduction Strategies](#). Antony Chapoto And T.S. Jayne. Working Paper 15. Dec 2005. (CDIE reference number PN-ADH-692)
2. [Community-level Relationships between Prime Age Mortality and Rural Welfare: Panel Survey Evidence from Zambia](#). T. S. Jayne, Antony Chapoto, Elizabeth Byron, Mukelabai Ndiyoi, PetanHamazakaza, SuneethaKadiyala, and Stuart Gillespie. International Food Policy Research Institute Study. November 2005.
3. [Characteristics of Individuals Afflicted by AIDS-related Mortality in Zambia](#). Antony Chapoto and T.S. Jayne. Working Paper 14. August 2005. (CDIE reference number PN-ADH-691)
4. [Impact Of HIV/AIDS-Related Adult Mortality On Rural Households' Welfare In Zambia](#). Antony Chapoto and T.S. Jayne. Number 12. December 2005. (CDIE reference number PN-ADH-766)
5. [Zambia's 2005 Maize Import and Marketing Experiences: Lessons and Implications](#). Anthony Mwanaumo, T.S. Jayne, Ballard Zulu, Julius Shawa, Green Mbozi, Steven Haggblade, and MisheckNyembe. Number 11. December 2005. (CDIE reference number PN-ADH-677)
6. [Community-level Relationships between Prime Age Mortality and Rural Welfare: Panel Survey Evidence from Zambia](#). T. S. Jayne, Antony Chapoto, Elizabeth Byron, Mukelabai Ndiyoi, PetanHamazakaza, SuneethaKadiyala, and Stuart Gillespie International Food Policy Research Institute policy brief. November 2005.
7. [Socio-economic Characteristics of Individuals Afflicted by AIDS-related Prime-age Mortality in Zambia](#). Antony Chapoto and T.S. Jayne. Number 10. September 2005. (CDIE reference number PN-ADH-676)

2006

1. [A Value Chain Task Force Approach for Managing Private-Public Partnerships: Zamiba's Task Force on Acceleration of Cassava Utilization](#). Maureen Chitundu, Klaus Droppelmann and Steven Haggblade. Working Paper No. 21. Food Security Research Project. Lusaka, Zambia. December 2006. (CDIE reference number PN-ADI-177)
2. [Raising the Productivity of Public Investments in Zambia's Agricultural Sector](#). J. Govereh, J.J. Shawa, E. Malawo, and T.S. Jayne. Working Paper No. 20. Food Security Research Project. Lusaka, Zambia. December 2006. (CDIE reference number PN-ADI-176)

3. [Security of Widows' Access to Land in the Era of HIV/AIDS: Panel Survey Evidence from Zambia](#). Antony Chapoto, T.S Jayne, N. Mason. Working Paper No. 19. Food Security Research Project. Lusaka, Zambia. November 2006. (CDIE reference number PN-ADH-695)
4. [Reprint: The Many Paths of Cotton Sector Reform in Eastern and Southern Africa: Lessons From a Decade of Experience](#). David Tschirley , Colin Poulton, Duncan Boughton. Working Paper No. 18. Food Security Research Project. Lusaka, Zambia. June 2006. (CDIE reference number PN-ADG-871)
5. [Zambia Horticultural Rapid Appraisal: Understanding the Domestic Value Chains of Fresh Fruits and Vegetables](#). Munguzwe Hichaambwa and David Tschirley . Working Paper No. 17. Food Security Research Project. Lusaka, Zambia. September 2006. (CDIE reference number PN-ADH-694)
6. [Potential Impact of the Kwacha Appreciation and Proposed Tax Provisions of the 2006 Budget Act on Zambian Agriculture](#). John Fynn, Steven Haggblade. Working Paper No. 16. Food Security Research Project. Lusaka, Zambia. July 2006. (CDIE reference number PN-ADH-693)
7. [Smallholder Farming Under Increasingly Difficult Circumstances: Policy and Public Investment Priorities for Africa](#) by T.S. Jayne, D. Mather, and E. Mghenyi. 2006. IDWP 86. (CDIE reference number PN-ADG-862)
8. [Assessment of the Farm Level Agronomic and Financial Benefits of the Magoye Ripper in Maize and Cotton Production in Southern and Eastern Provinces](#). Stephen Kabwe, Cynthia Donovan, and David Samazaka. Number 18. December 2006. (CDIE reference number PN-ADI-178)
9. [Understanding Zambia's Domestic Value Chains for Fresh Fruits and Vegetables](#). Munguzwe Hichaambwa, David Tschirley. Number 17. November 2006. (CDIE reference number PN-ADH-796)
10. [Emerging Structural Maize Deficits in Eastern and Southern Africa: Implications for National Agricultural Strategies](#). T.S Jayne and Antony Chapoto. Number 16. September 2006. (CDIE reference number PN-ADH-681)
11. [Maize Price Projections for Zambia's 2006/07 Marketing Season](#). Steven Haggblade. Number 15. June 2006. (CDIE reference number PN-ADH-680)
12. [Trends in Breakfast Meal and Maize Marketing Margins in Zambia](#). Antony Chapoto and T.S Jayne. Number 14. August 2006. (CDIE reference number PN-ADH-679)
13. [Potential Impact Of The Kwacha Appreciation On Zambia Agriculture](#). John Fynn and Steven Haggblade. Number 13. August 2006. (CDIE reference number PN-ADH-678)

2007

1. [HIV/AIDS and Agrarian Livelihoods in Zambia: a Test of the New Variant Famine Hypothesis](#). Nicole M. Mason, Antony Chapoto, T.S. Jayne, and Robert J. Myers. Working Paper No. 30. November 2007. (CDIE reference number PN-ADL-044)
2. [Alternative Instruments for Ensuring Food Security and Price Stability in Zambia](#). Paul A. Dorosh, Simon Dradri, and Steven Haggblade. Working Paper No. 29. November 2007. (CDIE reference number PN-ADL-043)
3. [Local and Regional Food Aid Procurement in Zambia](#). Steven Haggblade and David Tschirley . Working Paper No. 28. (A Study for USAID's Office of Food for Peace). November 2007. (CDIE reference number PN-ADL-042)
4. [Local and Regional Food Aid Procurement: an Assessment of Experience in Africa and Elements of Good Donor Practice](#). David Tschirley and Anne Marie del Castillo. Working Paper No. 27. (Reprint of MSU International Development Working Paper Number 91). October 2007. (CDIE reference number PN-ADI-714)
5. [Comparative Analysis of Organization and Performance of African Cotton Sectors: Learning From Experience of Cotton Sector Reform in Africa](#). Draft Final Report. David Tschirley , Colin Poulton, Nicolas Gergely, Patrick Labaste, John Baffes, Duncan Boughton, and GéraldEstur. September 6, 2007. (This paper was commissioned by the World Bank. This draft version appears here by the permission of the World Bank; the final version will be published as an official World Bank publication)
6. [Cotton in Zambia: 2007 Assessment of its Organization, Performance, Current Policy Initiatives, and Challenges for the Future](#). David Tschirley and Stephen Kabwe . Working Paper No. 26. (This paper

- will also be published as a World Bank Discussion Paper). September 2007. (CDIE reference number PN-ADL-041)
7. [Security of Widows' Access to Land in the Era of HIV/AIDS: Panel Survey Evidence From Zambia \(Revised Version\)](#). Antony Chapoto, T.S. Jayne, N. Mason. Working Paper No. 25. Food Security Research Project. Lusaka, Zambia. September 2007. (CDIE reference number PN-ADK-253)
 8. [Trends in Agricultural and Rural Development Indicators in Zambia](#). T.S. Jayne, J. Govereh, P. Chilonda, N. Mason, A. Chapoto and H. Haantuba. Working Paper No. 24. Food Security Research Project. Lusaka, Zambia. June 2007. (CDIE reference number PN-ADJ-201)
 9. [Assessment of the Farm Level Financial Profitability of the Magoye Ripper in Maize and Cotton Production in Southern and Eastern Provinces](#). Stephen Kabwe, Cynthia Donovan, and David Samazaka. Working Paper No. 23. Food Security Research Project. Lusaka, Zambia. May 2007. (CDIE reference number PN-ADJ-131)
 10. [Smallholder Household Maize Production and Marketing Behavior in Zambia and Its Implications for Policy](#). Ballard Zulu, T.S. Jayne and Margaret Beaver. Working Paper No. 22. Food Security Research Project. Lusaka, Zambia. April 2007. (CDIE reference number PN-ADI-723)
 11. [The Benefits of a Rules-Based Maize Marketing Policy: Results of an Experimental Study of Zambia](#). Klaus Abbink, T.S. Jayne, and Lars C. Moller. Number 29. December 2007. (CDIE reference number PN-ADL-040).
 12. [Input Credit Provision for Cotton Production: Learning from African Neighbors and Meeting Zambia's Challenges](#). Stephen Kabwe and David Tschirley. Number 28. November 2007. (CDIE reference number PN-ADL-039).
 13. [Prices Paid to Cotton Farmers: How Does Zambia Compare to its African Neighbors?](#) David Tschirley and Stephen Kabwe. Number 27. November 2007. (CDIE reference number PN-ADL-038).
 14. [Farm Yields and Returns to Farmers from Seed Cotton: Does Zambia Measure Up?](#) Stephen Kabwe and David Tschirley. Number 26. November 2007. (CDIE reference number PN-ADL-037).
 15. [Increasing Demand for Quality in World Cotton Markets: How has Zambia Performed?](#) David Tschirley and Stephen Kabwe. Number 25. November 2007. (CDIE reference number PN-ADL-036).
 16. [Alternative Approaches for Moderating Food Insecurity and Price Volatility in Zambia](#). Paul A. Dorosh, Simon Dradri and Steven Haggblade. Number 24. November 2007. (CDIE reference number PN-ADL-035).
 17. [HIV/AIDS and Agrarian Livelihoods in Zambia: a Test of the New Variant Famine Hypothesis](#). Nicole M. Mason, Antony Chapoto, T.S. Jayne, & Robert J. Myers. Number 23. November 2007. (CDIE reference number PN-ADL-034).
 18. [Security of Widow's Access to Land in the Era of HIV/AIDS: Panel Survey Evidence from Zambia](#). Antony Chapoto, T.S. Jayne and N. Mason. Number 22. September 2007. (CDIE reference number PN-ADK-254).
 19. [Urgent Need for Effective Public-Private Coordination in Zambia's Cotton Sector: Deliberations on the Cotton Act](#). David Tschirley and Stephen Kabwe. Number 21. April 2007 (CDIE reference number PN-ADI-724).
 20. [Smallholder Household Maize Production and Marketing Behavior in Zambia: Implications for Policy](#). Ballard Zulu, T.S. Jayne and Margaret Beaver. Number 20. April 2007 (CDIE reference number PN-ADI-722)
 21. [Returns to Investment in Agriculture](#). Steven Haggblade. Number 19. January 2007. (CDIE reference number PN-ADI-713)

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1. [The 2008/09 Food Price and Food Security Situation in Eastern and Southern Africa: Implications for Immediate and Longer Run Responses](#). T.S. Jayne, Antony Chapoto, Isaac Minde, and Cynthia Donovan. International Development Working Paper #97. Michigan State University. 2008.

2. [Potential for Intra-Regional Maize Trade in Southern Africa: an Analysis for Zambia at the Sub-National Level.](#) Steven Haggblade, Thomas Jayne, David Tschirley and Steven Longabaugh. Working Paper No. 35. November 2008. (CDIE reference number PD-ACO-139)
3. [Access to Land, and Poverty Reduction in Rural Zambia: Connecting the Policy Issues.](#) T.S. Jayne, Ballard Zulu, Gear Kajoba, and M.T. Weber. Working Paper No. 34. October 2008. (CDIE reference number pending).
4. [Assessment of Alternative Maize Trade and Market Policy Interventions in Zambia.](#) Jones Govereh, T.S. Jayne and A. Chapoto. Working Paper No. 33. October, 2008. (CDIE reference number PN-ADN-055).
5. [Commercial Dynamics in Zambia's Cassava Value Chain.](#) Steven Haggblade and MisheckNyembe. Working Paper No. 32. August 2008. (CDIE reference number PN-ADN-056).
6. [Smallholder Income Diversification in Zambia: The Way Out of Poverty?](#) Arne Bigsten and Sven Tengstam. Working Paper No 31. July 2008. (CDIE reference number pending).
7. [Marketing Policy Options for Consumer Price Mitigation Actions In the 2008/09 Maize Marketing Season in Zambia.](#) Antony Chapoto, Steven Haggblade, Julius Shawa, Thomas Jayne and Michael Weber. Number 31, September 2008. (CDIE reference number PN-ADN-382).
8. [Smallholder Income Diversification in Zambia: The Way Out of Poverty?](#) Arne Bigsten and Sven Tengstam. Number 30, July 2008. (CDIE reference number pending).
9. [Food Crises and Food Markets: Implications for Emergency Response in Southern Africa.](#) David Tschirley and T.S. Jayne. MSU Policy Synthesis 82. July 2008.

2009

1. [The Impacts of Trade Barriers and Market Interventions on Maize Price Predictability: Evidence from Eastern and Southern Africa.](#) Antony Chapoto and T.S. Jayne. International Development Working Paper #102. Michigan State University. December 2009.
2. [Patterns Of Urban Food Consumption And Expenditure In Zambia: An Overview Report Based on the CSO/MACO/FSRP Food Consumption Survey in Urban Areas of Lusaka, Kitwe, Mansa and Kasama, 2007-2008.](#) Munguzwe Hichaambwa, Margaret Beaver, Antony Chapoto and Michael Weber. Working Paper No. 43. December, 2009. (CDIE reference number PN-ADS-952)
3. [Staple Food Consumption Patterns in Urban Zambia: Results from the 2007/2008 Urban Consumption Survey.](#) Nicole M. Mason and T.S. Jayne. Working Paper No. 42. November 2009. (CDIE reference number PN-ADS-951)
4. [Wildlife Conservation in Zambia: Impacts on Rural Household Welfare.](#) Ana Fernandez, Robert B. Richardson, David Tschirley, and Gelson Tembo. Working Paper No. 41. September 2009. (CDIE reference number PN-ADS-949)
5. [Characteristics Associated with Prime-Age Mortality in Eastern and Southern Africa: Evidence from Zambia and Kenya.](#) Antony Chapoto, T.S. Jayne, L. Kirimi, and S. Kadiyala. International Development Working Paper #99. Michigan State University. September 2009.
6. [Fostering Agricultural Market Development in Zambia.](#) Gelson Tembo, Antony Chapoto, Thomas Jayne, and Michael Weber. Working Paper No. 40. July 2009. (CDIE reference number PN-ADQ-136)
7. [Factors Influencing the Profitability of Fertilizer Use on Maize in Zambia.](#) Zhiying Xu, Zhengfei Guan, T.S. Jayne, and Roy Black. Working Paper No. 39. Lusaka, Zambia. June 2009. (CDIE reference number PN-ADP-622)
8. [Are Staple Foods Becoming More Expensive for Urban Consumers in Eastern and Southern Africa? Trends in Food Prices, Marketing Margins, and Wage Rates in Kenya, Malawi, Mozambique, and Zambia.](#) Nicole Mason, T.S. Jayne, Cynthia Donovan, and Antony Chapoto. IDWP 98. June 2009.
9. [Effects of Maize Marketing and Trade Policy on Price Unpredictability in Zambia.](#) Antony Chapoto and T.S. Jayne. Working Paper No. 38. June 2009. (CDIE reference number PN-ADP-888)
10. [Methodology for Two Weighting Applications for the 2008 Zambia Supplemental Survey.](#) David J. Megill. Working Paper No. 37. April 2009. (CDIE reference number PD-ACO-141)

11. [Trends and Spatial Distribution of Public Agricultural Spending in Zambia: Implication for Agricultural Productivity Growth](#). Jones Govereh, Emma Malawo, Tadeyo Lungu, Thom Jayne, Kasweka Chinyama and Pius Chilonda. Working Paper No. 36. February 2009. (CDIE reference number PD-ACO-140)
12. [Policies and Public Investments to Promote Smallholder Green Revolutions in Africa: Lessons from Asia](#). GISAMA Policy Synthesis #1. December 2009
13. [Staple Food Consumption Patterns in Urban Zambia: Results from the 2007/2008 Urban Consumption Survey](#). Nicole M. Mason and T. S. Jayne. Number 36, December 2009. (CDIE reference number PN-ADS-939)
14. [Impact Of Natural Resource Conservation Policies On Household Consumption Around Zambian National Parks](#). Gelson Tembo, Sushenjit Bandyopadhyay and Jean-Michel Pavy. Number 35, October 2009. (CDIE reference number PN-ADS-938)
15. [Access To Land And Poverty Reduction In Rural Zambia: Connecting The Policy Issues](#). T. S. Jayne, Ballard Zulu, Gear Kajoba and M. T. Weber. Number 34, Sept 2009. (CDIE reference PN-ADS-937)
16. [The Impacts of Wildlife Conservation Policies on Rural Household Welfare in Zambia](#). Ana Fernandez, Robert B. Richardson, David Tschirley, and Gelson Tembo. Number 33, September 2009. (CDIE reference number PN-ADS-936)
17. Contract Farming in Sub-Saharan Africa: Lessons from cotton on what works and under what conditions. Tschirley, David L., Minde, Isaac, Boughton, Duncan H. ReSAKSS Issue Briefs <http://www.resakss.org/>. March 2009.
18. [Factors Influencing the Profitability of Fertilizer Use on Maize in Zambia](#). Z. Xu, Z. Guan, T.S. Jayne, and Roy Black. Number 32, February 2009. (CDIE reference number PN-ADP-622)

2010

1. [Factors Contributing to Zambia's 2010 Maize Bumper Harvest](#). William J. Burke, T. S. Jayne, and Antony Chapoto. Working Paper No. 48. September 2010. (CDIE reference number pending)
2. [Productivity Impact of Conservation Farming on Smallholder Cotton Farmers in Zambia](#). Steven Haggblade and Christina Plerhoples. Working Paper No. 47. July 2010.
3. [The Structure and Behavior of Vegetable Markets Serving Lusaka: Main Report](#). David Tschirley and Munguzwe Hichaambwa. Working Paper No. 46. June 2010. (CDIE reference number pending)
4. [Patterns and Trends in Food Staples Markets in Eastern and Southern Africa: Toward the Identification of Priority Investments and Strategies for Developing Markets and Promoting Smallholder Productivity Growth](#). T.S. Jayne, Nicole Mason, Robert Myers, Jake Ferris, David Mather Margaret Beaver, Natalie Lenski, Antony Chapoto, and Duncan Boughton. International Development Working Paper #104. April 2010.
5. [A Case Study of Regulation in Zambia's Cotton Sector](#). David Tschirley and Stephen Kabwe. Working Paper No. 45. April 2010. (CDIE reference number pending)
6. [Natural Resource Management, Food Security, and Rural Development in Zambia: Moving From Research Evidence to Action Proceedings of the Public Forum](#). Phyllis Simasiku, Antony Chapoto, Robert Richardson, Mwape Sichilongo, Gelson Tembo, Michael Weber and Alimakio Zulu. Working Paper No. 44. February 2010. (CDIE reference number PN-ADT-432)
7. [Factors Contributing to Zambia's 2010 Maize Bumper Harvest](#). William J. Burke, T. S. Jayne and Antony Chapoto. Number 42, September, 2010. (CDIE reference number pending)
8. [Why are Fresh Produce Prices So Unstable in Lusaka? Insights for Policy and Investment Priorities](#). Munguzwe Hichaambwa and David Tschirley . Number 41, June, 2010. (CDIE reference number pending)
9. [How are Vegetables Marketed into Lusaka? The Structure of Lusaka's Fresh Produce Marketing System and Implications for Investment Priorities](#). Munguzwe Hichaambwa and David Tschirley . Number 40, June, 2010. (CDIE reference number pending)

10. [Do Brokers Help or Hinder the Marketing of Fresh Produce in Lusaka? Preliminary Insights from Research](#). David Tschirley and Munguzwe Hichaambwa. Number 39, June, 2010. (CDIE reference number pending)
11. [Smallholder Marketing Behavior and Urban Consumption Patterns in Eastern and Southern Africa](#). GISAMA Policy Synthesis #3. March 2010.
12. [Opportunities and Challenges for Strengthening Staple Food Markets in Eastern and Southern Africa](#). GISAMA Policy Synthesis #2. March 2010.
13. [Spatial and Regional Dimensions of Food Security in Zambia](#). Steven Haggblade, Steven Longabaugh and David Tschirley. Number 38, February, 2010. (CDIE reference number PN-ADT-539)
14. [Natural Resource Management, Food Security And Rural Development In Zambia: Moving From Research Evidence To Action. Proceedings Of The Public Forum](#). Phyllis Simasiku, Antony Chapoto, Robert Richardson, MwapeSichilongo, Gelson Tembo, Michael Weber and Alimakio Zulu. Number 37, February, 2010. (CDIE reference number pending)

Summary Applied Research Number of Activities

2004	6
2005	7
2006	13
2007	21
2008	9
2009	18
2010	14
Total	78

ATTACHMENT 3: OUTREACH

2004

1. Ministry of Agriculture and Cooperatives Policy Retreat, December 4-5, 2004, Livingstone, Zambia.
 - [Structure of Zambian Agriculture](#), Jones Govereh.
 - [Increasing Output, Productivity and Incomes of Smallholder Farmers](#), Ballard Zulu.
 - [Crop Marketing Policy Issues](#), Gelson Tembo, T.S. Jayne, and James Shaffer.
 - [Strategies to Improve Household Food Security During Grain Shortfalls](#), Billy Mwiinga and Jan Nijhoff.
 - [Factors Related to Success in Smallholder Agriculture](#). Ballard Zulu, T.S. Jayne and J. Shaffer.
 - [Private Sector-led Input Market Development](#). Jones Govereh.
 - [Agriculture Market Development Plan](#), Hyde Haantuba.
2. FSRP was invited to a workshop on the *Soil fertility Consortium for Southern Africa*. The workshop was aimed at discussing the synthesis of the CF work that has been done in Zambia so that it feeds in the regional work plan. The Soil Fertility Consortium for Southern Africa would be funded by the Rockefeller Foundation. Participants of the workshop came from Ministry of Agriculture & Cooperatives, NGO and other private institutions, Nairobi, Kenya, December 9, 2004.
3. FSRP Worked with Agricultural Consultative Forum (ACF) to come up with guidelines of synopsis on the advantages of adopting conservation farming. Participants in two meetings came from Conservation Farming Unit, University Of Zambia and Agricultural Consultative Forum.
4. Donovan, Mwiinga, and Haantubu met with MACO District marketing and cooperative officers and the participants in EPAMIS from EPCCI and elsewhere, on the organization of EPAMIS. Chipata, Zambia November, 2004.

2005

1. [Competition and Coordination in Cotton Market Systems in Southern and Eastern Africa Project](#). Imperial College, UK.
2. Jan Nijhoff attended DFID program planning, with focus on maize and fertilizer marketing, January 20, 2005.
3. [Impact of HIV/AIDS-Related Mortality on Rural Farm Households in Zambia: Implications for Poverty Reduction Strategies](#). A. Chapoto and T.S. Jayne. Presented at the IUSSP Seminar on "Interactions between Poverty and HIV/AIDS". Capetown, South Africa. 12-13 December 2005.
4. [Preliminary Results from the FSRP/GART Magoye Ripper Study 2005](#). S. Kabwe and A. Mwanaumo. Presented at the Golden Valley Research Trust, along with collaborator David Samazaka of GART, held on December 9, 2005 at GART.
5. [Factors Affecting Zambian Maize Prices in 2005](#) Ballard Zulu. FSRP presentation to the Minister of Agriculture and Cooperatives, Hon. MundiaSikatana, the Permanent Secretary Mr. Richard Chizyuka, Lusaka, members of the Millers Association of Zambia, members of the Grain Traders Association, and senior MACO officials, Mulungushi House, Lusaka, December 7, 2005.
6. [The Magoye Ripper: Preliminary Findings on Adoption, Benefits and Constraints](#). Stephen Kabwe and Cynthia Donovan. Draft article for the Golden Valley Agricultural Research Trust (GART) Yearbook of 2006. Magoye, Zambia, December 2005.
7. Strategies to Improve Zambia's Cotton Sector Performance. Ballard Zulu. Presentation at the *Zambia Cotton Association Conference*, Mulungushi Conference Center, Ministry of Agriculture and Cooperatives, Lusaka, November 24, 2005.
8. [How Can Markets Respond Better to the 2005/06 Food Crisis: Evidence from Zambia](#). Thom Jayne and the Zambia Food Security Research Project. Presentation at the *Regional Trade, Growth and Emergency Response: Strategic Options for Dealing with Recurrent Food Crises in Southern Africa*. Round Table Discussion facilitated by Michigan State University Food Security III Cooperative Agreement. Thursday, November 17, 2.00 - 4:30 pm, RR Building Mezzanine Conference Room.

9. [Vision of Donor Support for Agricultural Growth and Poverty Reduction in sub-Saharan Africa](#). T.S Jayne presentation at [All-Party Parliamentary Group on Overseas Development ODI / London, UK](#). November 1, 2005.
10. [Impact Of HIV/AIDS-Related Mortality On Rural Farm Households In Zambia: Implications For Poverty Reduction Strategies](#). Antony Chapoto and T.S Jayne. Paper presented at the IUSSP Seminar on “Interactions between Poverty and HIV/AIDS”. 12-13 December 2005. Cape Town, South Africa. Draft. Nov. 2005.
11. [Early Evidence on Conservation Farming in Zambia](#). Steven Haggblade and Gelson Tembo. A paper prepared for the International Workshop on “Reconciling Rural Poverty and Resource Conservation: Identifying Relationships and Remedies”. Cornell University, Ithaca, New York. May 2-3, 2003.
12. Materials prepared for the [FANRPAN 2005 Regional Multi-Stakeholder Public Policy Dialogue](#). Theme: *Creating A Conducive Policy Environment For A Food Secure SADC*. 4-7 October 2005 .
 - SADC Recovery, Food Security And Trade Policies: Making Markets Work For Smallholders Farmers In SADC by Chairperson: Mr. S. Pazvakambwa, Secretary for Agriculture- Zimbabwe. ([ppt](#)) (paper forthcoming)
 - [Improving Maize Marketing and Trade Policies To Promote Household Food Security in Central and Southern Mozambique](#) By DaniloAbdula, David Tschirley , and Michael Weber. ([ppt](#))
 - [Learning from the 2002/03 Food Crisis in Southern Africa: Lessons for the Current Year](#) by Pedro Arlindo, David Tschirley , Jan Nijhoff, Billy Mwiinga, Michael T. Weber, and T.S. Jayne. ([ppt](#))
 - [Toward a Regional Framework for Effective Policy Responses to the Emerging Food Crisis in Southern Africa](#) by Anthony Mwanaumo, Hyde Haantuba, Pedro Arlindo, DaniloAbdula, T.S. Jayne, David Tschirley , Jan Nijhoff, Michael Weber, Cynthia Donovan, and John Staatz. ([ppt](#))
 - Opportunities to Improve Household Food Security Through Promoting Informal Maize Marketing Agents: Experience From Eastern Cape Province, South Africa by L. Ndibongo-Traub and T.S. Jayne. ([ppt](#)) (paper forthcoming)
13. [Sustained Use of Conservation Farming Practices by Small and Medium Scale Farmer in Zambia](#). Stephen Kabwe of FSRP team presented this paper at the III World Congress on Conservation Agriculture held in Nairobi Kenya, October 3-7, 2005. ([ppt](#))
14. FSRP (Jan Nijhoff and Ballard Zulu) participated in a MACO maize marketing policy meeting, discussing AMDP (export ban, levies, FRA issues), October, 2005.
15. [Where Should Public and Donor Investments be Targeted?](#) T.S. Jayne, A. Mwanaumo, J. Govereh, B. Zulu, and J. K. Nyoro. Presentation at 1st Regional Grain Trade Summit. October 12-13, Nairobi, Kenya.
16. FSRP Briefing on Small Farmer Maize Marketing Behavior and Implications for Maize Marketing Policy in Zambia. Ballard Zulu . Presented at the USAID Briefing on the Current Food Situation. USAID mission, Lusaka, September, 2005.
17. Key Issues in the Agricultural Sector in Zambia. Ballard Zulu. Presented at the Zambia International Business Advisory Council (ZIBAC) Meeting, Sun Hotel, Livingstone, Zambia, 1-5 September 2005.
18. [Agricultural Input Market Development Plan](#). Jones Govereh. Presentation to MACO officials, NGOs, and private sector stakeholders, Agricultural Consultative Forum, Lusaka, August 2005.
19. [Using Empirical Information in the Era of HIV/AIDS to Inform Mitigation and Rural Development Strategies: Selected Results from African Country Studies](#). Presentation by D. Mather at American Agricultural Economics Association Annual Meeting, Principal Paper Session 1: What Role for Agricultural Economists in Addressing the HIV/AIDS Pandemic? Providence, Rhode Island, July 25th, 2005.
20. [Smallholder Maize Market Structure and Behaviour](#). B.A. Zulu, T.S Jayne. Presentation at the *Smallholder Agricultural Commercialization Strategy Workshop*, Protea Lodge, Chisamba, Lusaka, 7 July 2005.
21. Ministry of Agriculture and Cooperatives/Food Security Research Project Policy Retreat, June 25-26, 2005, Chisamba, Zambia
 - [Trends in Smallholder Agriculture](#), Jones Govereh.
 - [Smallholder Maize Market Structure and Behavior](#). Ballard Zulu and T.S. Jayne.

- [Crop Forecast Survey Methodology and Results](#). Michael Isiimwa, Ministry of Agriculture and Cooperatives.
 - [Small-scale Maize Trading in Zambia](#). Billy Mwiinga and Hyde Haantuba.
 - [Priorities in Resource Allocation Within the Ministry of Agriculture and Cooperatives](#). Julius Shawa, Ministry of Agriculture and Cooperatives.
 - [Trade Agreements for Consideration in the Agricultural Marketing Act](#). Hyde Haantuba, Ministry of Agriculture and Cooperatives.
 - [AMDP Update and Implementation Issues: Agricultural Marketing Act Concept Paper](#), Hyde Haantuba, Ministry of Agriculture and Cooperative and Jones Govereh, FSRP.
22. Meeting with PS Chizyuka to introduce FSRP to him and discuss the agenda for the June policy retreat, June 7, 2005.
 23. FSRP participated in a meeting at FAO where FAO and WFP presented their crop and food security assessment report. Technical input was provided by FSRP on crop supply and demand estimates using 2005 CFS data, Lusaka, May 19, 2005.
 24. Donovan and Haantuba (MACO) met with District Ministry of Agriculture and Cooperatives staff on the establishment of the Eastern Province Market Information System, a collaborative effort with MACO and EPCCI. Meetings with private sector stakeholders included Clarke Cotton, Eastern Province Chamber of Commerce and Industry, and Radio Breeze FM. Chipata, Zambia, May 18-20, 2005.
 25. Characteristics of Individuals Afflicted by AIDS-related Mortality in Rural Zambia. Chapoto, A. and T. Jayne. Paper presented at the RENEWAL/IFPRI Conference on Integrating HIV/AIDS with Food and Nutrition Security: From Evidence to Action. April 13-16, 2005, Durban, South Africa.
 26. FSRP participated in a MACO maize marketing policy meeting, discussing FRA pricing, export ban and maize market interventions, Mulungushi House, Ministry of Agriculture and Cooperatives, Lusaka, February 23, 2005.
 27. Jan Nijhoff, Anthony Mwanaumo, and Mike Weber attended IEHA planning meeting in Pretoria, discussing establishment of regional and national SAKSS, Pretoria, South Africa, 3-5 February, 2005.
 28. [Competition and Coordination in Cotton Market Systems in Southern and Eastern Africa](#). Cross-Country Workshop *International Cotton Workshop*, Protea Lodge, Chisamba, Zambia, 1-2 February, 2005.
 - [Context and Overview: Comparing Performance Across the Four Sectors](#). Colin Poulton.
 - [Regional Cotton Stakeholders' Workshop: Zambia Country Report](#). Ballard Zulu.
 - [Competition and Coordination in the Zimbabwe Cotton Sector 2001 – 2004](#). Benjamine Hanyani-Mlambo, Colin Poulton and Marianne Nylandsted Larsen.
 - [Regional Cotton Stakeholders' Workshop: Mozambique Country Report](#). Dave Tschirley.
 - [Competition and Coordination in the Tanzanian Cotton Sector 2001-2004](#). Colin Poulton.
 - [Competition and Coordination in Liberalised African Cotton Market Systems. Lessons from Cross-Country Analysis 2001-2003](#). The Project Team

2006

1. [Magoye Ripper: An Evaluation of Benefits and Problems](#). Stephen Kabwe, Cynthia Donovan, and David Samazaka. Presentation to MACO Staff. Lusaka, 24 November, 2006.
2. MACO/FSRP/MATEP Policy Dialogue. "Achievements, Challenges and Opportunities for Continued Poverty Alleviation and Growth in the Agricultural Sector in Zambia". 27-29 November 2006. Fringilla Lodge, Lusaka.
 - [Agenda](#)
 - [The COMESA CAADP Priority Countries: Rwanda, Malawi, Zambia, Uganda, Kenya, Ethiopia](#). Ambassador N. L. Hussainy – COMESA
 - [Agricultural Growth and Poverty Trends in Zambia: Key Findings](#). Jones Govereh and FSRP colleagues.
 - [Objectives and Volume of Public Investments in Zambia's Agriculture](#). Julius Shawa, Jones Govereh, Steven Haggblade, and Emma Malawo.

- [Composition of Zambia Public Spending on Agriculture](#). Jones Govereh, Steven Haggblade, Emma Malawo and Julius Shawa.
 - [Proposed Agricultural Marketing Act \(AMA\) Concept – Update Notes](#). Green Mbozi.
 - [Agricultural Credit Act Amendment Process – Update Notes](#). Green Mbozi.
 - [Making Maize Markets Work for Zambia Small Farmers, Traders & Consumers](#). FSRP/MATEP Research/Outreach Team.
 - [Regional Maize Trade: Implications for Food Security & Agricultural Growth](#). MupelwaSichilima.
3. [Evaluation of Farmer Use of the Magoye Ripper](#). Stephen Kabwe, Cynthia Donovan. Presentation made to GART and CFU Staff. Chisamba, 21 November, 2006.
 4. [Proceeding of the Ministry of Agriculture and Cooperatives and the Food Security Research Project Policy Dialogue: Achievements, Challenges and Opportunities for Continued Poverty Alleviation and Growth in the Agricultural Sector in Zambia](#). Held at Fringilla Lodge, Lusaka, Zambia on 27-29th November, 2006.
 5. [Security of Widows' Access to Land in the Era of HIV/AIDS: Panel Survey Evidence from Zambia](#). Antony Chapoto, T.S. Jayne and N. Mason. Brown Bag, African Studies Center. Michigan State University. September 21, 2006.
 6. [Maize Yield Response to Fertilizer and Profitability of Fertilizer Use Among Small-Scale Maize Producers in Zambia](#), ZhiyingXu and T.S. Jayne. Contributed paper, International Association of Agricultural Economics Tri-Annual Meetings, Gold Coast, Australia, August 12-18, 2006.
 7. [Factors Affecting Small Farmers' Use of Improved Maize Technologies: Evidence from Kenya and Zambia](#), T.S. Jayne, J. Govereh, Z. Xu, J. Ariga, and E. Mghenyi. Presented at Symposium on Seed-Fertilizer Technology, Cereal Productivity and Pro-Poor Growth in Africa: Time for New Thinking? Symposium held at the International Association of Agricultural Economics Tri-Annual Meetings, Gold Coast, Australia, August 12-18, 2006.
 8. Understanding Zambia's Domestic Fresh Produce Value Chains. Munguzwe Hichaambwa and David Tschirley. Presented at the first domestic horticultural sector stakeholder meeting on 8 August 2006, Lusaka
 - [Background and Context](#).
 - [Main Patterns in Assembly, Wholesaling and Retailing in Lusaka and Ndola](#).
 - [Preliminary Thoughts on Key Issues](#).
 9. Crop Marketing and Regional Maize Markets Outreach Sessions at ACF Secretariat - July 7, 2006
 - [Agenda](#)
 - [Overview of maize production & marketing trends](#)
 - [Grain Traders Association of Zambia: Prospects for Regional Maize Exports from Zambia](#)
 - [Prospects for Regional Maize Meal Exports from Zambia](#)
 - [Farmer Incentives for producing surplus for export ZNFU](#)
 - [Procedure And Legal Instruments Used to Control Agricultural Commodities Import and Export in Zambia](#)
 - [Overview of COMESA Agricultural Strategy](#) (with focus on the maize sector)
 - [Strategic Options for Achieving Growth and Poverty Reduction: The Role of Markets](#). Thom Jayne, with input from colleagues at MSU. Presentation at the Workshop on "Bridging Knowledge Gaps to Achieve Agricultural Growth and Reduce Poverty and Hunger in Africa through the Comprehensive Africa Agriculture Development Programme (CAADP), hosted by the International Food Policy Research Institute (IFPRI) in collaboration with the New Partnership for Africa's Development (NEPAD), June 20-21, Washington, D.C.
 10. [Maize Price Projections for the 2006/07 Marketing Season](#). By Steve Haggblade, FSRP. Article in *Zambian Farmers Magazine*, June 2006
 11. Workshop with the Ministry of Agriculture and Cooperatives (MACO): Presentation/Discussion of the Agricultural Input Marketing (AIM) Plan. May 13, 2006
 - [Agenda](#)

- [Agricultural Input Marketing \(AIM\) Development Plan](#)
 - [Fertilizer marketing. Development plan](#)
 - [Seed Marketing Plan](#)
 - [Agriculture and Veterinary Chemicals and Products. Marketing Plan.](#)
 - [Cross-Cutting AIM Issues](#)
12. [Maize in Eastern and Southern Africa: "Seeds" of Success in Retrospect.](#) T.S. Jayne and Melinda Smale, presentation at the conference on "Championing Agricultural Successes for Africa's Future in Support of the Comprehensive Africa Agricultural Development Programme (CAADP), May 15-18, 2006, Somerset West, South Africa.
 13. [Zambia Herald Business News report on FSRP presentation at the the Agricultural Sector Budget Analysis meeting,](#) organized by the Agricultural Consultative Forum, Pamodzi Hotel, Lusaka, February 7, 2006.
 14. [Proceedings of the Presentation on Resource Allocation for Agriculture](#) to the Parliamentary Committees on Agriculture and Lands and Economic Affairs and Labour by the Food Security Research Project. Held at Gemister Enterprises, Rhodes Park, Lusaka. February 1, 2006
 15. [Analysis and Outreach Discussion of 2006 Agricultural Sector Budget:](#) FSRP/MACO/ACF/CSO. Lusaka. Feb, 2006
 16. [2006 Agricultural Sector Budget Analysis.](#) FSRP presentation at the Agricultural Sector Budget Analysis meeting, organized by the Agricultural Consultative Forum, Pamodzi Hotel, Lusaka, February 7, 2006
 17. [Resource Allocation for Agriculture.](#) FSRP presentation and discussions on GRZ 2006 budget allocation to the Agricultural Sector with Parliamentary Sub-Committees for Agriculture and Lands, and for Finance, Gemister Conference Centre, February 1, 2006, Lusaka.
 18. [Public Resource Allocation and Agricultural Competitiveness.](#) FSRP presentation and discussion with Private Sector Development Group, including representatives of the World Bank, SIDA, DFID, JICA, EU, MATEP, and USAID. USAID Conference Room, Lusaka, January 30, 2006.
 19. [Trends in Agricultural and Policy Indicators in Zambia.](#) J.Govereh, T. Jayne, N. Mason and A. Chapoto. SAKSS Issue Paper No.1. Strategic Analysis and Knowledge Support System for Southern Africa (SAKSS-SA). IWMI and ICRISAT Publication, 2006.

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1. [Using the Market During Food Crises: What has been Learned in Southern Africa over the Past Decade?](#) David Tschirley and Thom Jayne. Presented at *Vulnerability to and Early Warning for Food Emergencies: Conceptual Issues and Practical Implementation. FAO Global Information and Early Warning System (GIEWS) on Food and Agriculture.* FAO, Rome. December 6-7, 2007.
2. [WFP's LRP Operations in Africa. Assessment and Thoughts on Ways Forward.](#) David Tschirley. Presented at World Food Program, Rome. December 5, 2007.
3. [Price Unpredictability, Trade Policy, and the Demand for Food Staples in Eastern and Southern Africa : An Application of the ARCH Model.](#) Antony Chapoto and T.S. Jayne. Workshop on *Appropriate Trade Policies for Agricultural Development in a Globalizing World* FAO, Rome. 10-11 December 2007.
4. [Fertilizer Promotion in Zambia: Learning from Regional Experience, and Strategies to Raise Smallholder Productivity.](#) Thom Jayne, Jones Govereh, and ZhiyingXu. Presentation and discussion with Ministry of Agriculture and Cooperatives at the Agricultural Consultative Forum, November 30, 2007.
5. [Charcoal and Fuelwood Production: Implications for Poverty Reduction.](#) Robert B. Richardson, Antony Chapoto, Michael Weber. Regional Science Association International North American Meetings, November 7-10, 2007.
6. [Security of Widows' Access to Land in the Era of HIV/AIDS: Panel Survey Evidence from Zambia.](#) Antony Chapoto, T.S. Jayne and N. Mason. Presented by ChitraDeshpande. Gender, Equity and Rural Employment Division at FAO Technical Consultation on Gender, Property Rights, and Livelihoods in the Era of AIDS. November 28-30, 2007. FAO Headquarters, Rome.

7. ACF/FSRP/Cotton Industry Policy Dialogue: "*Comparative Assessment of Cotton Sector Reform Experiences in Sub-Saharan Africa: What Can Zambia Learn About the Way Forward for It's Cotton Industry?*" 27 Nov 07. ACF Conference Room, Lusaka, Zambia.
 - [Agenda](#)
 - [Comparative Analysis of Cotton Sector Reforms in SSA. Overview of Approach and Broad Findings](#). David Tschirley.
 - [Input Credit Provision for Cotton Production Learning from African Neighbors and Meeting Zambia's Challenges](#). Stephen Kabwe and David Tschirley .
 - [Performance on Pricing to Farmers](#). David Tschirley and Stephen Kabwe .
 - [Increasing Demand for Quality in World Cotton Markets. How has Zambia Performed?](#) Stephen Kabwe and David Tschirley.
 - [Farm Yields and Returns to Farmers](#). David Tschirley and Stephen Kabwe .
8. ["New Agriculture" & Implications for Information Development and Diffusion: Perspectives from Zambia](#). Jones Govereh and Mike Weber. FSRP/MSU Zambia. World AgInfo Workshop. November 11, 2007.
9. [Pathways out of poverty in the new agriculture](#). John Staatz and NiamaNangoDembélé. Cornell International *Workshops on Agricultural Education and Information Systems Workshop II: Pathways Out of Poverty*. Livingstone, Zambia. November 11-16, 2007.
10. [Zambia Agricultural Policy. Delivering Public Facilitation & Private Sector-Led Growth](#). FSRP/MATEP Research/Outreach Team. Presented to Finnish Delegation. Agricultural Consultative Forum (ACF), Lusaka Zambia. September 25, 2007.
11. [Security of Widows' Access to Land in the Era of HIV/AIDS: Panel Survey Evidence from Zambia](#). Antony Chapoto, T.S. Jayne and N. Mason. PEGnet Conference, Berlin Germany September 6-7, 2007.
12. [Vulnerability and Resilience of Social-Ecological Systems: Perspectives from Studies Underway in Zambia of Urban/Rural Food Marketing Systems](#). RIHN's (Vulnerability and Resilience of Social-Ecological Systems) - First Lusaka Workshop, Sept 3, 2007. Prepared by M.T. Weber and the MACO/ACF/FSRP/MATEP Research/Outreach Team.
13. [Under-appreciated Aspects of Smallholder Agriculture: Possible Implications for Information System Design](#). Thom Jayne and Colleagues, Food Security Research Project - Zambia. Presentation to Gates Foundation WorldAgInfo Project Design Team, Agricultural Consultative Forum, Lusaka, Zambia, August 13, 2007.
14. [Regional Trade in Food Staples: Using Trade Policy to Improve Farmer Incentives and Food Security](#). Jones Govereh. Food Security Research Project, MACO/ACF/MSU. Presentation at the *International Conference on Strengthen and Widening markets and Overcoming Supply Side Constraints for African Agriculture*. Organized by the International Food and Trade Policy Council and the Partnership to Cut Hunger and Poverty in Africa. June 3-5, 2007.
15. [Selected Comments on Zambia Budget Allocation in Agriculture & Maize and Fertilizer Marketing in Zambia](#). Presentation to Zambia PRBS Review Meeting By MACO/ACF/FSRP/MATEP Research/Outreach Team. Mulungushi International Conference Centre, Lusaka, Zambia, June 5, 2007.
16. [Agricultural Sector Budget Analysis](#). Jones Govereh. Presentation to Farmer Organization Support Programme (FOSUP). Lusaka, Zambia. June 1, 2007.
17. [Measuring Public Expenditures in Agriculture](#). Jones Govereh, Emma Malawo, T.S. Jayne, and P. Chilonda. Presented at the Regional Strategic Analysis and Knowledge Support System for Southern Africa (ReSAKSS-SA), Pamodzi Hotel, Lusaka, Zambia, May 29, 2007.
18. Data Consideration in Measuring Public Expenditure in Agriculture: Illustrations Using the Case of Zambia. Presentation made by Jones Govereh at the Regional Strategic Analysis and Knowledge Support System for Southern Africa (ReSAKSS-SA), Pamodzi Hotel, Lusaka, Zambia, May 29, 2007.
19. [An Effective Public-Private Coordination in Zambia's Cotton Sector: Deliberation on the Cotton Act](#). Stephen Kabwe and David Tschirley. Presented at the Agricultural Consultative Forum. May, 2007.
20. [Zambia's Cassava Value Chain Task Force](#). Steve Haggblade. Presentation made to the SIDA Regional Resource Centre for Rural Development (RRD) regional meetings for East and Southern Africa on

"Linking small-scale producers and processors access to dynamic and restructured local, regional and international markets for high value products". Frangilla, Zambia. May 16, 2007.

21. Testimony to the Parliamentary Committees on Agriculture and Lands on Agricultural Marketing and Finance Systems in Zambia, by the Food Security Research Project. National Assembly, Parliament Building, Lusaka. May 2, 2007
 - [Written Submission](#)
 - [Oral Presentation](#)
 - [Zambia: Trends in growth of modern retail and wholesale chains and related agribusiness. Information Sheet - April 2007.](#) Munguzwe Hichaambwa (FSRP), Hyde Haantuba and MasiyeNawiko (ACF). Outreach Sheet, published by Regoverning Markets.
22. [A Comparison of Maize Price Stability between Countries Supporting and Restricting Regional Trade.](#) Antony Chapoto and T.S. Jayne. 2nd African Grain Trade Summit Nairobi, Kenya, April 18-19, 2007.
23. [Dynamics of Zambia's Cassava Markets.](#) Steven Haggblade. Presentation to the Acceleration of Cassava Utilization Task Force Round One Stakeholders' Workshop, Agricultural Consultative Forum, Lusaka, Zambia, February 1, 2007.
24. [Agricultural Sector Budget Analysis.](#) FSRP. MACO/ACF/CSO/MSU. Lusaka, Zambia. Feb 2007.

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1. [Resource Materials - Zambia Agricultural Fertilizer Programme Study Tour: Gaining Insights From On-Going Reforms in Malawi, Kenya and Tanzania.](#) By ACF/FSRP
2. [Potential for Intra-Regional Maize Trade in Southern Africa: An Analysis For Zambia at the Sub-National Level.](#) Steven Haggblade, Thomas Jayne, David Tschirley and Steve Longabaugh. Presented by M.T. Weber. Michigan State University – Food Security Group. Presentation at the *SADC Southern Africa Regional Conference on Agriculture.* Grand Palm Hotel, Gaborone, Botswana, December 8-9, 2008.
3. [Promoting Fertilizer Use in Africa: Current Issues and Empirical Evidence from Malawi, Zambia, and Kenya.](#) Isaac Minde, T.S. Jayne, Joshua Ariga, Jones Govereh, and Eric Crawford. Presentation at the Southern Africa Regional Conference on Agriculture “*Theme: Agriculture-led Development for Southern Africa: Strategic Investment Priorities for Halving Hunger and Poverty by 2015*”. Grand Palm Hotel, Gaborone, 8-9 December, 2008.
4. [Information Toward Goals of Poverty Reduction, Food Security, Enhanced Productivity and Income Growth for Small-scale Farmers in Zambia – Opportunities and Challenges.](#) ACF/FSRP Presentation By Tadeyo Lungu, Augustine Mutelekesha, Antony Chapoto, Margaret Beaver and Michael Weber. *MACO/SIDA ASP Old and New Workshop,* Chrismar Hotel, Lusaka. Dec 2-3, 2008.
5. [Zambian Smallholder Farmer/Household Categorization Activity. Draft Set of Tables - Dec 1, 2008,](#) ACF/FSRP by Tadeyo Lungu, Augustine Mutelekesha, Antony Chapoto, Margaret Beaver and Michael Weber. Handout to accompany MACO/SIDA ASP presentation.
6. [Tourism and Wildlife Conservation in Africa: Measuring the Impacts to Rural Households.](#) Robert B. Richardson and Ana Fernandez. Department of Agricultural, Food and Resource Economics (AFRE) Brown Bag Seminar Series. November 18, 2008.
7. [Zambia Agricultural Policy: Finding a Balance Between Public Facilitation & Private Sector-Led Growth.](#) Jones Govereh and Michael Weber. Food Security Research Project. Presentation at a Mini-Workshop on Agricultural Policy in Zambia, Chrismar Hotel, 7 Oct, 2008.
8. [Import/Marketing Policy Options for Consumer Price Mitigation Actions in the 2008/09 Maize Marketing Season in Zambia.](#) Presentation at a ZNFU Hosted Meeting of the Task Force on Rising Food Prices: Working Group on Transitional Issues. Lusaka, Sept 11, 2008. Extract from a Draft Concept Paper By The Food Security Research Project.
9. [Targeting Challenges : Using Zambian Rural Household Data Sets to Inform The Process of Categorisation of Resource Poor Smallholder Farmers.](#) By the Food Security Research Project, Kafue Gorge ACF Sponsored Workshop, Aug 20-22, 2008.

10. [Information and Analysis to Improve Agricultural Productivity & Reduce Rural Poverty in Zambia](#). Jones Govereh, Michael Weber, Antony Chapoto and Steve Haggblade. Presentation at *Seminar on Increasing Productivity in the Agricultural Sector to Contribute to the On-Going Macroeconomic Modeling Process* Ministry of Finance and National Planning (MoFNP) - Tecla Lodge, Wed, 6th August, 2008
11. [Fertilizer Subsidies and Sustainable Agricultural Growth in Africa: Current Issues and Empirical Evidence from Malawi, Zambia, and Kenya](#). Isaac Minde, T.S. Jayne, Joshua Ariga, Jones Govereh, and Eric Crawford. Presentation by Jones Govereh at the IFDC workshop on “*Strengthening Trade in Agricultural Inputs in Africa: Issues and Options*” Taj Pamodzi Hotel, Lusaka, 1-4 July, 2008.
12. [Empirical Information on Smallholder Maize Production and Fertilizer Use In Zambia](#). Michael Weber. Presentation at *Fertilizer Support Programme Evaluation Kick-Off Workshop*. Protea Safari Lodge, Zambia. June 25-26, 2008
13. [Patterns of Maize Farming Behavior and Performance Among Small- and Medium-Scale Smallholders in Zambia. A Review of Statistical Data From The CSO/MACO Crop Forecast Survey - 2000/2001 to 2007/2008 Production Seasons](#). By FSRP in cooperation with CSO and MACO to inform discussions on programs to deal with high food and input prices in 2008. Draft for comments, June 20, 2008.
14. [Background for the Launch of the ACU Working Group on Cassava Policy Issues](#). Steven Haggblade. ACU Task Force meeting. June 17, 2008. ACF Conference Room, Lusaka.
15. [Findings from FSRP Research on Food Staples Markets: Implications for Investment Priorities to Promote Regional Trade](#). Jones Govereh, David Tschirley, and Michael Weber. Presentation for the ACTESA design team, Lusaka, Zambia, April 18, 2008.
16. [2008 Agricultural Sector Budget Analysis: Comments from FSRP cooperating with MACO/ACF/CSO](#). Presented at Agricultural Consultative Forum Breakfast Meeting: *What is in the 2008 National Budget for Zambian Agriculture?* Pamodzi Hotel, Lusaka. Jan 30, 2008

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1. [Maize Price Volatility in Zambia](#). Jan Nijhoff and Antony Chapoto. Presented at a meeting on Zambia's Agricultural Finance Market, organized by the Zambia National Farmers Union and the PROFIT Program, held in Lusaka, 9 December, 2009.
2. *Insights on Natural Resource Management and Rural Development in Zambia: Moving From Research Evidence to Action. Collaborating Partner Public Forum*. Pamodzi Hotel, 03 December, 2009
 - [Forum Final Programme](#)
 - [Opening Comments](#) - Honorable Minister of Minister of Tourism, Environment and Natural Resources
 - Forum Summary Document and Suggestions for Action for SNDP and Beyond
 - [Recommendations for Policy Leaders in MTENR, MACO, Livestock and LANDS](#)
 - Proceedings Document
 - Panel Presentations on Community-Based Natural Resource Management
 - [The impact of wildlife management policies on communities and conservation in Game Management Areas in Zambia](#). Alimakio Zulu(NRCF)and MwapeSichilongo (CBNRMF)
 - [Household Consumption and Natural Resource Management around National Parks in Zambia](#). Dr. Gelson Tembo, (UNZA)
 - [The Impacts of Wildlife Conservation Policies on Rural Welfare in Zambia](#). Dr. Robert Richardson, (FSRP/MSU)
 - Panel Presentations on Land Use and Intensification of agriculture/livestock production and potential for productivity enhancements
 - [The Challenge of Integrating the Goals of Productive Land Use and Broad-Based Agricultural Development In Zambia](#). Dr. Antony Chapoto (FSRP)
 - [Conservation Farming and Related Natural Resource Policies for Sustainable Agricultural Intensification-Two Key Issues](#). Peter Aagaard

- [Improving the lives of poor farmers, rewarding farming practices that protect nature: COMACO](#). Dr. Dale Lewis, Wildlife Conservation Society
 - Supplemental Paper: [Community Markets for Conservation \(COMACO\): Scaling up Conservation Impact through Markets that Change Livelihoods](#). Dale Lewis.
3. [The Impact of Wildlife Conservation on Rural Development in Zambia](#). Robert B. Richardson, Ana Fernandez and David Tschirley. Presented at Regional Science Association International (RSAI). San Francisco, CA. November 19, 2009.
 4. [Food Security Research Project. Briefing on FSRP Regional Trade Activities](#). Jan Nijhoff. USAID Mission. Lusaka. Monday, November 9th, 2009
 5. [Integrating the Goals of Productive Land Use and Broad-Based Agricultural Development](#). T.S. Jayne. FSRP. Presentation at USAID/Zambia. November 9, 2009.
 6. [Measuring the Effects of Natural Resource Conservation Policies on Household Welfare](#). Robert B. Richardson and David Tschirley. Brown Bag Seminar Series Department of Agricultural, Food and Resource Economics. November 10, 2009.
 7. [Reporting from Agricultural Surveys: A Voice for Smallholders](#). Munguzwe Hichaambwa and Chance Kabaghe, at the Annual Small Scale Farmers' Forum, 05 Nov 2009, Barn Hotel, Lusaka.
 8. [Food Price Spikes and Strategic Interactions between the Public and Private Sectors: Market Failures or Policy Failures?](#) T.S. Jayne and David Tschirley. Presented at the expert meeting on “*Institutions and Policies to Manage Global Market Risks and Price Spikes in Basic Food Commodities*,” FAO Headquarters, Rome, Italy. 27-28 October 2009
 9. *Planning Meeting for Outreach Activities: Research and Outreach Towards Game Park and Natural Resource Management to Improve Rural Household Welfare in Zambia*. NRCF (Natural Resources Consultative Forum), CBNRMF (Community-Based Natural Resource Management Forum), UNZA (University of Zambia), ACF (Agricultural Consultative Forum)/FSRP (Food Security Research Project) ACF Conference Meeting Room, lot 30 G, Sable Road, Kabulonga. 27 October, 2009 at 09:30 -11:30 hrs
 - o [Programme of Presentation and Discussion](#).
 - o Alimakio Zulu and MwapeSichilongo. NRCF and CBNRMF. What was learned and possible ways forward from the June 2008 workshop: "[The Impact Of Wildlife Management Policies On Communities And Conservation In Game Management Areas In Zambia](#)".
 - o Dr. Gelson Tembo, UNZA "[Household Consumption and Natural Resource Management around National Parks in Zambia](#)".
 - o Dr. Robert Richardson, FSRP/MSU. "[The Impact of Wildlife Conservation Policies on Rural Welfare in Zambia](#)."
 - o Dr. Michael Weber, FSRP/MSU. "[Smallholder Land Access Research - Possible Interactions with Natural Resource & GMA Issues](#)." See also [Table 1 and 2 handouts](#).
 10. [What is in the 2010 National Budget for Zambian Agriculture?](#) ACF/FSRP in Collaboration with MACO/CSO. Breakfast Budget Review Meeting: Pamodzi Hotel, Lusaka -20 Oct, 2009.
 11. [Fruit and Vegetable Production, Marketing and Consumption in Zambia: Overview of Empirical Analysis by FSRP](#). Chance Kabaghe, Munguzwe Hichaambwa, and David Tschirley. Presented at the *ZNFU Fruits and Vegetables Annual General Meeting*, Mulungushi International Conference Centre, Lusaka. 13 October 2009
 12. [Creation of a Public/ Private Partnership Marketing Institution](#). Chance Kabaghe. Presented at the *5th Annual General Meeting of the ACF*. Pamodzi Hotel, Lusaka. 24 September 2009
 13. [The Impact Of Wildlife Conservation On Rural Welfare In Zambia](#). Robert B. Richardson, Ana Fernandez, and David Tschirley. Presented at the U.S. Society for Ecological Economics. June 1, 2009.
 14. [Agricultural Trade Flows in Southern Africa: Do Regional Preferential Trade Agreements make a Difference?](#) G. Tembo and T. S. Jayne. Presented at the *XXVII International Conference of Agricultural Economists*, Beijing Conference Center, China, 20 August 2009.
 15. [A Test of the New Variant Famine Hypothesis: Panel Survey Evidence from Zambia](#). N. Mason, T. S. Jayne, A. Chapoto, & R. Myers Presented at the *XXVII International Conference of Agricultural Economists*, Beijing Conference Center, China, 21 August 2009.

16. ACF/FSRP Agriculture Policy Dialogue with High Level Government Officials. Protea Lodge, Chisamba, Lusaka, Zambia 14-15 August 2009
 - [Proposed Reforms of the Fertiliser Support Programme](#). Hyde Hantuba.
 - [CAADP Zambia – So Near and Yet So Far](#). Jan Nijhoff.
 - [Public Agriculture Expenditure](#). Jones Govereh.
 - [Marketing and Trade in Food Staples](#). Chance Kabhage.
17. [Discussing the 2009 National Budget for Zambia Agriculture](#). Antony Chapoto. Stakeholder meeting on the Tax and Non-Tax Policy Proposals for the 2010 National Budget. 23 July 2009.
18. [Cotton Sector Regulation in Zambia. A Preliminary Case Study](#). David Tschirley, Stephen Kabwe . Presented at "Virtual Workshop on Cotton Sector Regulation in Africa" sponsored by the World Bank. 29 June 2009.
19. [Agricultural Consultative Forum \(ACF\) & Food Security Research Project \(FSRP\) News: Information on the Fertilizer Support Programme \(FSP\) Review 2009](#). ACF and FSRP. June 2009
20. [Measuring the impacts of trade barriers and market interventions on maize price instability: Evidence from Eastern and Southern Africa](#). A. Chapoto and T. S. Jayne. Presentation at the Regional Consultation Workshop on: "The Use and Impact of Trade and Domestic Policy Interventions on Cereal Value Chain Stakeholders in Eastern and Southern Africa". Dar es Salaam, Tanzania, June 3-4, 2009.
21. [Coming Policy Attractions – An Overview of On-Going Research & Potential Outreach](#). Presentation for Discussion at a Meeting of Donor Cooperating Partners and The ACF/ FSRP Research/Outreach Team. By the ACF/FSRP Team. ACF Offices, June 2, 2009.
22. [Presentation on how to prepare cassava cheese bread](#). M.T. Weber. May 23, 2009.
23. [Modernizing Africa's Fresh Produce Supply Chains without Rapid Supermarket Takeover Towards a Definition of Research and Investment Priorities](#). David Tschirley , Milton Ayieko, Munguzwe Hichaambwa, Joey Goeb. Wayne Loescher. Presented at the *Conference on Agricultural Markets*, organized by the CGIAR system and Alliance for a Green Revolution in Africa (AGRA), May 13-15, 2009. Nairobi, Kenya.
24. Comments and Handouts to Inform Discussion of Rural and Urban Food Security Issues in Zambia. By The ACF/ FSRP Research/Outreach Team, Presented by Michael Weber & Hyde Haantuba. Presentation at a *Meeting To Introduce the EU Food Facility For Rapid Response the Soaring Food Crisis*- Chrismar Hotel, 6 May, 2009
 - [Comments to Inform Discussion of Rural and Urban Food Security Issues. Powerpoint presentation](#).
 - [Characteristics of Small and Medium-Scale Crop-Growing Households in Zambia: Preliminary Comparison of Results from CSO/MACO/FSRP National-Level Supplemental Surveys in 2003/04 and 2007/08 Crop Marketing Seasons](#). Tadeyo Lungu, Antony Chapoto, Margaret Beaver and Michael Weber. (Draft for Review, 4 May, 2009). Handout 1.
 - [Are Staple Foods Becoming More Expensive for Urban Consumers in Eastern and Southern Africa? Trends in Food Prices, Marketing Margins, and Wage Rates in Kenya, Malawi, Mozambique and Zambia](#). N. Mason, T. Jayne, C. Donovan and A. Chapoto. (Draft for Review, 24 April, 2009) Handout 2.
25. [Are staple foods becoming more expensive for urban consumers in eastern and southern Africa?](#) N. Mason, T. Jayne, C. Donovan and A. Chapoto. Presentation at the *Symposium on Food and Financial Crises and Their Impacts on the MDGs in Africa*. Institute for African Development. Cornell University May 2, 2009
26. [Exploring the Logic Behind Southern Africa's Food Crises](#). T.S. Jayne and David Tschirley . Presented at the Symposium on The Food and Financial Crisis and their Impacts on Achievement of the Millennium Development Goals in Africa. Institute for African Development. Cornell University. 2 May 2009
27. Testimony to the Parliamentary Committees on Agriculture and Lands on Performance of the Fertiliser Support Programme in Zambia. Hyde Haantuba and Nawiko Masiye, Agricultural Consultative Forum, and Antony Chapoto and Michael Weber, Food Security Research Project. National Assembly, Parliament Building, Lusaka. 22 April 2009

- Written Submission - 1) [On Fisheries](#); and 2) [On Performance of the Fertiliser Support Programme](#)
 - Oral Presentation - [On Performance of the Zambian Fertiliser Support Programme](#)
28. [The Evolution of the Cotton and Textile Industry in Zambia](#). Stephen Kabwe. A presentation at ICAC Research Associate Program, Washington DC, 10 April, 2009
 29. [Fostering Agricultural Market Development in Zambia](#). Gelson Tembo, Antony Chapoto, T.S. Jayne and Michael Weber. Presented at the Zambia National Symposium, "*Harnessing the Potential of Agriculture to Meet the Increasing Demands from a Growing Population*". Held at the University of Zambia, Lusaka, Zambia. April 7-8, 2009
 30. [Beyond Fire Fighting To Using Information for Strategic Planning and Decision Making: Opportunities & Challenges in MACO to Use Information for Longer-Term Policy and Programme Formulation & Impact Improvement](#). Tadeyo Lungu & Michael Weber. Agricultural Consultative Forum/Food Security Research Project. *MACO Participatory Self Assessment Workshop*, Ibis Garden. 18/19 March, 2009.
 31. [Comparative Analysis of Price Behavior in Fresh Tomato Markets With Special Reference to Zambia](#). Mukwiti Mwiinga, David Tschirley. Prepared for conference on "*Socio-Economic research in vegetable production and marketing in Africa*." Nairobi, Kenya 5-6 March, 2009.
 32. ACF/FSRP Sharing Evidence-Based Research Results with the Parliamentary Committee on Agriculture and Lands: Selected Policy Background Information Towards More Effective GRZ and Private Sector Investment to Reduce Rural Poverty and Improve Food Security. Ibis Garden, Chisamba Area, 20/21 February, 2009.
 - [Agenda](#)
 - Radio News Summary on Proposed Fertilizer Reforms: Sunday, 22 Feb, 2009 (ZNBC Radio 4 - ZNBC Four) . To listen: [Download MP3 file\(2MB\)](#)
 - [Background Information on the Rural Smallholder Farm Sector: What Does Empirical Information Tell Us About Maize Sector Productivity and Related Agricultural Input Use](#). Antony Chapoto and Michael Weber.
 - [Categorisation Tables: Small and Medium-Scale Household Income and Other Characteristics By Quintile of Household Per-Capita Land Use - 2004](#)
 - [Effective Public-Private Coordination in Zambia's Cotton Sector: Deliberation on the Revised Cotton Act](#). Stephen Kabwe , FSRP.
 - [Strengthening the Cotton Act of 2005](#). The Cotton Working Group
 - [Study Team Report on Proposed Reforms of the Zambian Fertiliser Support Programme \(FSP\)](#). Coillard Hamasimbi, ZNFA
 - [Voucher Programme Presentation](#). Mark Woods, Rob Munro, Brett and Brent Magrath.
 - [Draft Report on Proposed Reforms for the Zambian Fertilizer Support Programme](#). The Fertiliser Review Team
 - [Public Agriculture Spending: Trends & Key Trade-offs](#). Jones Govereh
 - [Trends and Spatial Distribution of Public Agricultural Spending in Zambia: Implication for Agricultural Productivity Growth-Draft for Review](#). Jones Govereh, Emma Malawo, Tadeyo Lungu, Thom Jayne, Kasweka Chinyama and Pius Chilonda. Draft for Review. 2009
 33. [Discussing the 2009 National Budget for Zambian Agriculture](#). ACF/FSRP Research Staff. Presentation by Antony Chapoto and Michael Weber at the *Agricultural Consultative Forum Annual Stakeholders Breakfast Budget Workshop*, Pamodzi Hotel, Lusaka, Zambia. 04 Feb. 2009
 34. [Background Materials to Support the Feb 4, 2009 Budget Analysis Presentation: Small and Medium-Scale Household Income and Other Characteristics by Quintile of Household Per-Capita Land Use - 2004](#). Tadeyo Lungu, Augustine Mutelekesha, Antony Chapoto, Margaret Beaver and Michael Weber.
 35. [Food Commodity Trade. The Need for a Regional Approach to Stimulate Agricultural Growth and Enhance Food Security](#) - November 2009
 36. [Questions and Answers on Fertiliser Reform in Zambia](#) - September 2009
 37. [The Need to Reform the Fertilizer Support Programme \(FSP\)](#)- August 2009
 38. [The Challenges of FRA Maize Pricing](#) - July 2009

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1. [Status of Lusaka Fresh Produce Wholesale Markets and Options for Investments](#). Munguzwe Hichaambwa. Presented at the meeting of the *AfDB Co-financing of SAPP for Urban Agricultural Wholesale Markets*. Lusaka. 7 January 2011.
2. *Smallholder Involvement in Horticulture*. Video Conference. 2nd November 2010. World Bank Offices. Lusaka, Zambia.
 - o [Program](#)
 - o [National Position Paper](#). MebeloMataa and Munguzwe Hichaambwa
 - o [National Presentation](#). MebeloMataa and Munguzwe Hichaambwa
 - o [Conference Report](#). Phillip Siamuyoba and Chance Kabaghe
3. *High Value Agriculture in Eastern and Southern Africa*. Video Conference. 13th October 2010. World Bank Offices. Lusaka, Zambia.
 - o [Program](#)
 - o [National Position Paper](#). Munguzwe Hichaambwa
 - o [National Presentation](#). Munguzwe Hichaambwa
 - o [Conference report](#). Munguzwe Hichaambwa and Chance Kabaghe
4. [Productivity Impact of Conservation Farming on Asset Poor Households](#). Steven Haggblade and Stephen Kabwe. *Competitive Africa Cotton Initiative Workshop*, Lusaka October 18-20, 2010
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6. [Briefing to USAID/Zambia mission on criteria for initial selection of agricultural value chains for its Feed the Future initiative](#). Nicholas Sitko, FSRP/Zambia. October 13, 2010, USAID/Zambia, Lusaka.
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- 38. [Maize Buyers Alert: Zambia Guidebook to Location of Expected Smallholder Maize Sales for the 2010-2011 Marketing Season.](#) Presentation distributed at the Lusaka Agriculture and Commercial Show, Lusaka. July 29-31, 2010. By MACO/CSO and ACF/FSRP.
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- 41. [Lack of Infrastructure Costing Farmers in COMESA](#) Speaking at a COMESA/ACTESA Workshop on May 10, 2010, Zambian Minister of Agriculture, Food and Cooperatives Peter Daka said the issue of poor infrastructure such as access roads in individual countries and those linking other countries in the region needs to be tackled if COMESA countries are to achieve growth.
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Summary outreach activities

2004

4

2005	28
2006	19
2007	24
2008	16
2009	38
2010	42
Total	171

ATTACHMENT 4: POLICY REFORMS ANALYZED AND PRESENTED FOR LEGISLATION/DECREE

2009/2010

FSRSP has continued with ACF in facilitating the development of a PPP marketing institution in Zambia

FSRP continues to make Input into background information to inform Agricultural Marketing Act revisions, assessing alternative policy options to promote regional trade in (i) maize and (ii) cassava.

Cotton Act being reviewed by other Ministries and awaiting transmission to Parliament. Also analyzed “Contract farming in Sub-Saharan Africa: lessons from cotton on what works and under what conditions”

Continued evaluation of the Fertilizer Support Program on overall fertilizer use and productivity in Zambian agriculture, including outreach workshops and review of time series of CFS data to inform fertilizer use assessments in Zambia. Analysis of “rural household socio-economic characteristics” was done to improve targeting of food security interventions. Additional analysis produced insights on “Fertilizer subsidies and sustainable agricultural growth in Africa: current issues and empirical evidence from Malawi, Zambia and Kenya”.

FSRP has continued providing information to MACO to improve the implementing of the FSP reforms under the newly formed Farmer Input Support Program

2008/2009

At the request of ACF, FSRP presented an analysis of spending and taxation provisions of the 2009 budget and moderated public discussion between agribusiness, farmers and government at the Pamodzi Hotel. A paper was completed on “Trends and spatial distribution of public agricultural spending in Zambia: Implications for agricultural productivity growth”.

FSRP continues to make Input into background information to inform Agricultural Marketing Act revisions, assessing alternative policy options to promote regional trade in (i) maize and (ii) cassava.

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FSRP assisted MACO in developing a draft reform plan for FSP, including addressing institutional aspects.

FSRP produced background information and analysis to inform land policy reviews in Zambia

FSRP assisted FRA in determining their purchase price for maize grain.

FSRP assisted MACO in utilizing information contained in the improved National Food Balance to review the country's food export restrictions.

2007/2008

At the request of ACF, FSRP presented an analysis of spending and taxation provisions of the 2008 budget and moderated public discussion between agribusiness, farmers and government at the Pamodzi Hotel. A paper on "Trends and spatial distribution of public agricultural spending in Zambia: Implications for agricultural productivity growth" has been drafted.

FSRP continues to make Input into background information to inform Agricultural Marketing Act revisions, assessing alternative policy options to promote regional trade in (i) maize and (ii) cassava.

Cotton Act being reviewed by other Ministries and awaiting transmission to Parliament. Also analyzed "Contract farming in Sub-Saharan Africa: lessons from cotton on what works and under what conditions"

Continued evaluation of the Fertilizer Support Program on overall fertilizer use and productivity in Zambian agriculture, including outreach workshops and review of time series of CFS data to inform fertilizer use assessments in Zambia. Analysis of "rural household socio-economic characteristics" was done to improve targeting of food security interventions. Additional analysis produced insights on "Fertilizer subsidies and sustainable agricultural growth in Africa: current issues and empirical evidence from Malawi, Zambia and Kenya".

FSRP produced background information and analysis to inform land policy reviews in Zambia

FSRP analyzed ways to avoid adverse impacts of emergency interventions "Food crisis and Food Markets: implications for emergency response in S. Africa"

Policy reforms presented for legislation/decreed

2009/2010

FSRP's contributions to the Cotton Act amendments waiting for review by Parliament

FSRP contributions to fertilizer reforms under the FISP

FSRP continued contributions to debate about GOZ mandating use of composite wheat/cassava flour for bread making in Zambia

FSRP continued provision of technical input to the ongoing debate on the Agricultural Marketing Bill.

2008/2009

Cotton act amendments waiting for review by Parliament

FSRP contributions to debate about GOZ reforms to fertilizer marketing, inputs to FSP Reform Study Tour assessment, MACO assessment, and WB evaluation

FSRP contributions to debate about GOZ mandating use of composite wheat/cassava flour for bread making in Zambia

FSRP provided technical input to the ongoing debate on the Agricultural Marketing Bill.

2007/2008

Cotton act amendments presented to cabinet

FSRP contributions to debate about GOZ reforms to fertilizer marketing, inputs to ZNFU/CFS assessment, MACO assessment, and WB evaluation

FSRP contributions to debate about GOZ mandating use of composite wheat/cassava flour for bread making in Zambia

ATTACHMENT 4: FSRP POWERPOINT PRESENTATION TO EVALUATION TEAM, JANUARY 13, 2011

Food Security Research Project (FSRP)

Presentation to the USAID SO5
Evaluation Team
Lusaka, Zambia
12th January, 2011

What is FSRP?

- A collaboration between FSRP/MSU with other stakeholders in Agriculture – Ministry of Agriculture and Cooperatives (MACO), Ministry of Livestock and Fisheries (MLF), Agricultural Consultative Forum (ACF), Zambia national Farmers Union (ZNFU), Millers, Food Reserve Agency (FRA), Traders etc.
- Main Objectives
 - Empirical research to inform agricultural policy
 - Capacity Building (Data collection, management and analytical capacity)
 - Outreach
- Co-funded by USAID and SIDA

Achievements

- Consistent with its mandate, FSRP has achieved progress in:
 1. Capacity building of private and public agricultural entities
 2. Support for concrete policy change
 - In the maize, cotton, fertilizer, horticulture and cassava value chains work
 - Facilitation of stakeholder involvement in the Government Agriculture Budget Review
 - Facilitation of Government's commitment to the CAADP process
 3. Improving the quality of Government policy discussions

1. Capacity Building

- Enhanced the survey design, data collection, cleaning and archiving skills of more 50 analysts from CSO and MACO
- Help MACO to utilize data collected by Central Statistical Office (CSO)
- Providing parliamentarians with an empirical foundation for their debates
- Upgrading the quality of MACO's Crop Forecast Monitoring Survey (CFS)
- Enhanced research capacity of University of Zambia (UNZA) Department of Agricultural Economics
- Trained 5 Zambian PHD/MS graduates- all of which are currently working in Zambia

2. Support for Concrete Policy Change

A. Cotton value chain

- Supporting the cotton sector since 2006 working with stakeholders to revise the Cotton Act
- Supporting stakeholders in the formation and activities of the Cotton Board. FSRP is a non-voting advisory member of the board
- Supporting stakeholders in developing the cotton sector strategy
- Instrumental in the development of the cotton sector database

B. Maize value chain

- Working with public and private stakeholders, FSRP:
 - Made improvements to crop forecast and national food balance sheet estimates
 - FRA adopted FSRP proposal not to raise 2010 producer price beyond 2009 levels
 - Succeeded in reducing and harmonizing cross district maize levies
 - Facilitating Private Public Partnership through stakeholder discussions e.g. Agricultural Marketing Development Plan (AMDP)

C. Fertilizer value chain

- Played central role in achieving reforms under Fertilizer Input Support Programme (FISP)
 - Reduced in package size
 - Increased number of beneficiaries per dollar invested in program
 - Improved beneficiary selection
 - Raised the e-voucher proposal to national debate

D. Cassava value chain

- Strengthened cassava commercialization through support to the Task Force on Accelerated Cassava Utilization
- Facilitated and supported the development of the cassava subsector strategy
 - An independent project has been born out of the strategy which is spearheading commercialization and utilization of cassava

E. Horticulture Value Chain

- Instrumental in creating the horticultural working group that will initiate the formation of the Horticultural Association of Zambia.
 - FSRP is the Secretariat of working group
- Created a rich database on trade flows and pricing dynamics which is providing valuable insights on the structure and behavior of markets
- Central in the development and testing of horticultural SMS based supply and market information system to be hosted by ZNFU

Other Support for Concrete Policy Change

- Facilitation of stakeholder annual review of the Government Agriculture Budget
- Facilitation of Government's commitment to the Comprehensive Africa Agriculture Development Programme (CAADP) process – Signing January 18th, 2011
- Instrumental in the development of:
 - Zambia Agriculture Credit Act
 - Marketing Act

3. Influencing Investment Decisions of Public and Private Sectors

- Play a public good role by providing empirical foundation to private and private sector agriculture stakeholders
 - e.g. Instrumental in Chayton Capital's decision to invest 1.1 trillion Kwacha in Zambian economy.

Major Obstacles

- Compelling analysis can still fail to be implemented because of powerful vested interests.
 - Particularly for maize and fertilizer
- High turnover in CSO and MACO
 - Enhanced skills training can lead to poaching by other firms
 - Death

Priority Future Actions

- Institutionalizing FSRP within a fully Zambianized policy institute
 - Local ownership to help increase trust needed by government to change policies
 - Formation of a Zambian “Brookings Institute”
- Initiation of Competitive Grants Program

Beneficiaries

- MACO – Permanent Secretary- Mr. A.K. Banda; Director Policy and Planning- Mr. Julius Shawa
- CSO – Acting Director – Mr John Kalumbi; Deputy Director Ag. Statistics – Mr Modesto Banda
- UNZA – Dean-Judith Lungu; Lecturer -Dr. Gelson Tembo
- ACF Board of Directors - Mr Ndambo Ndambo
- Cotton Board –Board Chairperson - Mr Watson Mwale; General Secretary - Joseph Nkole
- Cassava Task Force – Ms. Miriam Chitundu
- Grain Traders Association – Mr. Jacob Mwale; Mr. Mr. George Liacopolous
- ZAMACE – Mr. Brian Tembo

Contact Details

MACO – Permanent Secretary- Mr. A.K. Banda – 252552
– Director Policy and Planning- Mr. Julius Shawa – 250532
CSO – Acting Director – Mr John Kalumbi – 253465
– Deputy Director Ag. Statistics – Mr Modesto Banda – 253682/0977328190
UNZA – Dean-Judith Lungu – 295421
– Lecturer -Dr. Gelson Tembo - 295421
ACF Board of Directors – Vice Chairperson -Mr Ndambo Ndambo – 253834/255469
Cotton Board –Board Chairperson - Mr. Watson Mwale - 241819
– General Secretary - Joseph Nkole - 241819
Cassava Task Force – Ms. Miriam Chitundu – 235941/2
Grain Traders Association – Mr. Jacob Mwale - 288180
– Mr. Mr. George Liacopolous - 288180
ZAMACE – Mr. Brian Tembo

FSRP Advisory Board

Mr. Julius Shawa - Chairperson, MACO
Mr. Green Mbozi – Member, MACO
Mrs. Miriam Nkunika – Member, ACF
Mr. John Kalumbi – Member, CSO
Mr. Modesto Banda – Member, CSO
Mr. Goodson Sinyenga – Member, CSO
Mr. Hyde Haantuba – Member, ACF
Prof. M. Machachwa'ngi – Member, INESOR
USAID SO5 officer
SIDA Rural Development officer



ANNEX 9

THE AGRICULTURAL CONSULTATIVE FORUM (ACF) PROJECT USAID/ZAMBIA ECONOMIC GROWTH END OF PROJECTS EVALUATION

March 11, 2011

Prepared for the United States Agency for International Development, USAID Contract Order Number AID-RAN-I-00-09-00015, Task Order Number: AID-RAN-I-04-09-00015 Task Order Title: USAID/Zambia Economic Growth End of Projects Evaluation

Implemented by:
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DISCLAIMER

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

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PROJECT DEVELOPMENT HYPOTHESIS, STRATEGIC FRAMEWORK DESIGN AND RESULTS FRAMEWORK

USAID/Zambia SO 5: Program Development Hypothesis, Strategic Framework, and Results Framework

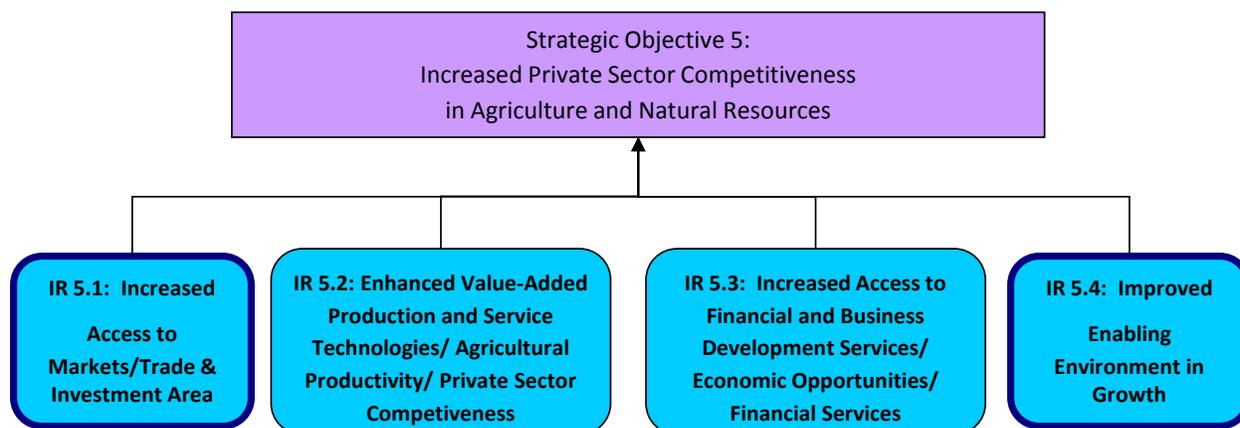
USAID/ZAMBIA's Strategic Plan for 2004-2010 included activities in a number of program objectives. The over-arching Strategic Objective 5 (SO5) for the Economic Growth program was to “*increase private sector competitiveness in agriculture and natural resources*” within the region and internationally, of Zambian farmers and firms, with special focus towards Zambian small holder farmers. In the process of developing this focus, USAID/Zambia identified over the past ten years the main constraints to agricultural development and small-scale rural agri-business competitiveness to be:

1. Lack of capacity, clarity, and consistency within Zambian Government to generate and implemented liberalization policies, conducive to private sector-led agricultural growth;
2. Poor market access and under-developed markets that limit production;
3. Inadequate sources of finance and capital; and
4. Low farm and firm-level production and productivity.¹

This understanding of the principal constraints at the time led to creation of a Strategic Framework for the Zambia Economic Growth program which essentially posited the hypothesis that ‘by increasing private sector competitiveness in agriculture and natural resources, that the main constraints to agricultural development and small-scale rural agri-business competitiveness would be enhanced’. There is also a clear intention that food security and improved economic welfare would also be enhanced among the rural poor targeted.

ACF was one of the projects designed to contribute to the above results. The USAID/Zambia strategic framework #5 is illustrated below in Figure 1.²

Figure 1. USAID Economic Growth Results Framework



¹ USAID dTS Scope of Work for Zambia Evaluation, p. 1, 2010

² SO Framework from Updated Performance Monitoring Plan, USAID/ZAMBIA, 2004-2010, January 2009, p. 3

ACF PROGRAM DEVELOPMENT HYPOTHESIS, STRATEGIC FRAMEWORK DESIGN, AND RESULTS FRAMEWORK

The background justification for the creation of the Agricultural Consultative Forum was to bring Zambian private sector stakeholders together in a manner that would permit dialogue and assessments of issues of concern to them with respect to national agricultural macro policies affecting competitiveness. Their mission statement reads: *“To promote in a non-partisan manner, evidence based private-public sector dialogue, consultation and participation in the development, implementation, monitoring and evaluation of agricultural sector policies and programs.”*³

ACF came into existence at a time when Zambia was transitioning from a centrally controlled and state-run economy to one relying much more on private sector-led growth. An early hypothesis was that *“institutionalized stakeholder consultations (i.e. the Forum) will result in less abrasive meetings between Government and the different lobby groups, resulting in more public-private partnerships as opposed to unproductive counter-accusations”*. This hypothesis has proven itself to have been valid, as the ACF has indeed permitted a great deal of productive interaction between different private sector groups and different Government agencies, including Parliament. This interaction has not however, spurred GRZ action for implementation as quickly as desired or needed, and, as will be discussed below, many potentially important new acts of legislation continue to move slowly towards realization.

With respect to the USAID/Zambia SO 5 Framework in Table 1 above, the ACF project contributed most directly to Intermediate Result 5.4: “Improved Enabling Environment in Growth”, and through its activities in the policy arena, has also contributed indirectly to both IR 5.1 “Increased Access to Markets/Trade & Investment Area” and IR 5.2 “Enhanced Value-Added Production and Service Technologies/Agricultural Productivity/Private Sector Competitiveness”.

During the first week of the Evaluation Team’s presence in Zambia, ACF presented to the evaluation team a response to four key questions with respect to the evolution of their program over the life of the USAID/Zambia project (2004-2010). Attachment 4 provides a copy of this presentation which helped the evaluation team to begin its review of the program.

Background

The current ACF project representing USAID funding from 2004-2010, and the subject of this evaluation, had its roots much earlier. Prior to 1998, there was a Government of Zambia program called the Agricultural Sector Investment Program (ASIP) which was funded by a group of agricultural sector donors with the World Bank taking the lead. This program had a steering committee. A mid-term review of this project in June 1998 on its first phase identified a number of serious design flaws, among which was an over-emphasis on the public sector and flaws in the design of ASIP’s organizational and management structure.⁴ It was this steering committee that was in 1998 transformed into a forum as a pilot project to promote increased stakeholder participation in the implementation of ASIP. Following the successful conclusion of this pilot phase that lasted up to December 1999, an agreement was reached for the ASIP-ACF to continue, but under a broader mandate. One of the key achievements of the early pilot phase was to reduce mistrust between GRZ and other stakeholders, leading to an improved understanding about the constructive role that policy

³ Agricultural Consultative Forum, 2009 Annual Report, p. 8.

⁴ Agricultural Consultative Forum, ACF Background, January 2, 2010, p. 1.

dialogue could play. There was general agreement at the time that the ACF mandate should be further broadened to permit it to exist beyond the life of the ASIP implementation period⁵.

Beginning in January 2000, three donor partners agreed to support the operations of the ACF through a three year project second phase. The partners were the Royal Netherlands Embassy, the Royal Norwegian Embassy through NORAD, and USAID. The new entity had as its mission to “*engage stakeholders in the processes of policy formulation and to refocus ASIP on fostering private/public sector partnerships*”.⁶ A principal objective of these new efforts was to also focus on long-term agricultural development issues – and not become bogged down in short-term issues

Following the end of the second phase of the ASIP project in 2002, the Royal Netherlands Embassy (via NORAD) funded a transitional phase (January to May 2003) that was intended to permit the formation of a Zambian private sector legal entity, providing the Zambian private sector with a means to have a voice to address public sector issues of concern to their national, regional, and international competitiveness. ACF was transformed into a private Association, and “*registered under the Registrar of Societies Act to further consolidate it as a neutral body for facilitating dialogue and monitoring of the agricultural component of the national Poverty Reduction Strategy Paper*.”⁷ ACF was transformed into a registered Zambian Association in April, 2003. This legal registration as a Zambian private sector entity became, in later years, its most valuable attribute, providing its stakeholders with a nationally recognized platform to dialogue with the Government of Zambia.

In 2003, the ASIP program changed its name to The Agricultural Consultative Forum (ACF) and became officially registered as a Stakeholder Association under the Zambian Societies Act. Besides a wide range of private sector stakeholders, NGOs, Zambian Research Institutions, donor agencies, and GRZ ministries, its 46 members permitted involvement of a number of projects/programs such as the MSU led Food Security Research Project (FSRP), the Agricultural Support Program (ASP), the Fertilizer Support Program (FSP), the Support to Farmers Association Project (SFAP) and the Smallholder Enterprise and Marketing Program (SHEMP). The new structure of the ACF was to permit interactions across and within the different stakeholder groups as shown in the slide below,⁸ without interfering with the ability of stakeholders to lobby Government directly. Attachment 3 provides a listing of all the current members of ACF, which includes 12 public sector institutions, 16 private agri-business firms, 4 agro-based NGOs, 4 Zambian farmer groups (Large-scale farmers, smallholder farmer representative, Zambian National Farmers Union, and the National Peasant and Small-Scale Farmers Association), 4 parastatal research organizations, including the Golden Valley Agricultural Research Trust (GART) and the University of Zambia School of Agriculture, and 6 major donor groups, including USAID.⁹

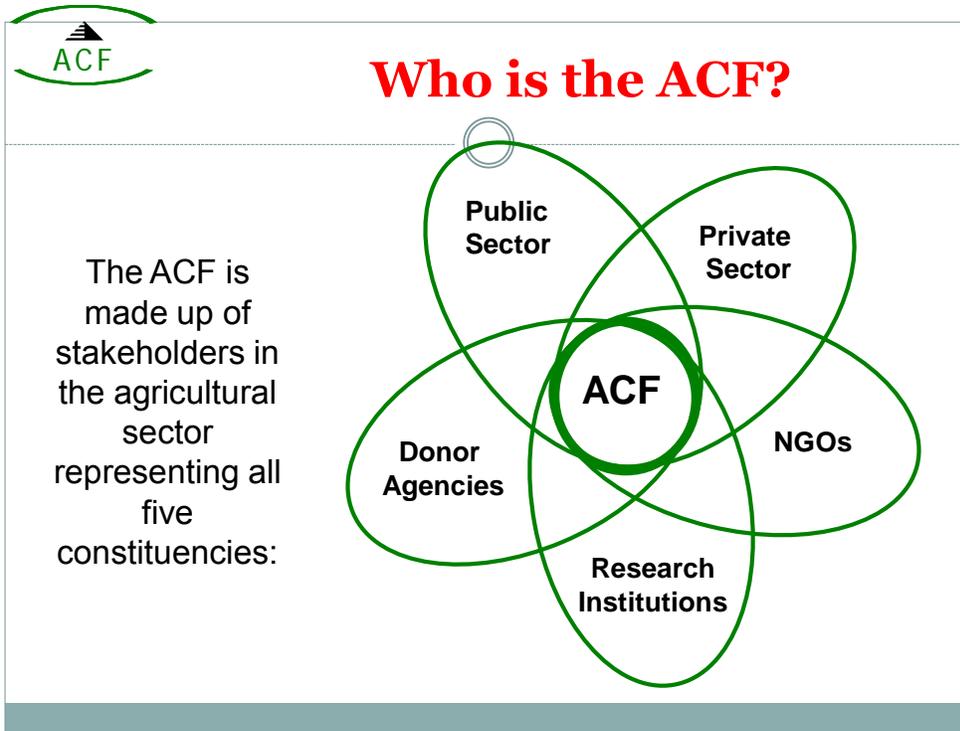
⁵ The evaluation team wishes to thank the ACF interim coordinator Masiye Nawiko, for clarifying this history for us.

⁶ Op Cit., p. 1.

⁷ Op. Cit., p. 1.

⁸ This slide was part of the presentation prepared by ACF for the evaluation team, in January 2011, describing their program.

⁹ Agricultural Consultative Forum, 2009 ACF Annual Report, p. 7.



ACF was organized with the stated objectives to facilitate continuous consultation among key stakeholders in the agricultural sector; to provide informed advice in the formulation, updating, designing and operationalization of agricultural policies and programs; and to provide a channel for information gathering, analysis, networking and sharing among stakeholders.

From its beginning as a Zambian private sector institution, the Agricultural Consultative Forum (ACF) has received funding support from a number of different donor organizations, including some of its own stakeholders from the private sector, as shown in Table 1 below. There has been a conscious effort to limit GRZ support of the Forum in an effort to retain its independence from GRZ pressure on setting its agenda, or to become merely a wing of the government or parastatal organization.

The current USAID/Zambia ACF project under evaluation extended from December 15, 2004 through September 2010, for a total funding of \$762,118. The Swedish International Development Agency (SIDA) has been the major donor over the past few years, exceeding USAID's involvement, and is actually the only donor currently providing funding support through until the end of 2011. Between now and this ending date, major decisions will need to be made about the future of this organization, and how it will continue to operate and be funded.

Table 1: ACF Funding (2004-2010)

Funding Source	Amount in US Dollars							Total
	2004	2005	2006	2007	2008	2009	2010	
Royal Netherlands Embassy (RNE)	128,980.00	95,285.00	55,033.40	65,475.00	-	-	-	344,773
NORAD	159,419.00	108,395.00	55,644.46	53,736.00				377,194
USAID		94,616.00	108,783.81	108,129.00	139,192.64	155,948.25	155,448	762,118
Swedish Embassy/SIDA	-	-	-	-	166,048.94	1,318,438.19	1,084,690	2,569,177
ACF Other Resource Mobilization	24,170.00	2,674.00	38,618.30	38,677.00	52,979.90	46,262.81	-	203,382
Total	312,569.00	300,970.00	258,079.97	266,017.00	358,221.48	1,520,649.26	1,240,138.00	4,256,644.71

STRATEGIES FOR COMMON APPROACHES, PROGRAM INTEGRATION, AND IMPACT DIFFUSION

The operations of ACF are structured around organizing stakeholders meetings with specific agenda items relating to agricultural policies issues that the stakeholders want to address or bring to the attention of the government. In other words, the agenda of ACF is supposed to be stakeholder driven. Since the inception of ACF, a number of consultations have been organized by ACF that addressed agricultural marketing issues, procurement and supply of agro-inputs to farmers, trade-both regional and international, agricultural credit etc. Once these issues were identified, policy papers were prepared in close collaboration with the USAID funded Food Security Research Project (FSRP) which conducted the relevant research. The findings were subsequently published as research publications and shared with ACF stakeholders and government alike to move appropriate legislation and new decrees affecting agricultural sector policies. The final outcome of the policy issues were then communicated by ACF back to its stakeholders through project reports, briefing meetings and reports in the media.

During the first few years of its existence as a private association, ACF possessed strong leadership that was proactive in moving the agenda of the Forum stakeholders forward. However in the last few years, ACF under new leadership began to change and become much less aggressive in setting its own agenda, in exploring out the policy issues of importance to its many stakeholder members, and in taking the initiative to create policy dialogues and seek new research findings to address different policy issues. Under this weakened management, other partners in the Forum, like FSRP, began to play a larger role in setting the agenda, and organizing debates.

PROJECT MANAGEMENT & COORDINATION

The Agricultural Consultative Forum is a non-governmental association, called Forum, with a multi-stakeholder membership and an elected Board of Directors that governs its affairs. The ACF Board is composed of six members including the Chairperson. Organizations that are represented on the Board were Zambia National Farmers Union (ZNFU), Ministry of Agriculture and Cooperatives (MACO), Golden Valley

Agricultural Research Trust (GART), Ministry of Livestock and Fisheries Development (MLFD), and the Program Against Malnutrition (PAM). The term of office of each Board member is for an initial 3 years which may be renewed for a further term of two years. The Board is required to hold minimum six meetings each year. The Chairperson, elected by the Board members is also designated as “Executive” ostensibly to strengthen linkages especially at the policy making level. The Executive is responsible for managing affairs of the ACF and supervises the activities of the Secretariat. The head of the Secretariat is a Coordinator who also is an *ex officio* member of the Board.

The day to day operations are managed by the ACF Secretariat consisting of a Coordinator, who is assisted by a Program Officer (currently acting as the Coordinator since the resignation of the Coordinator), M&E Expert, Research Officer, Accountant, Assistant Accountant, an Office Assistant and a Driver. As explained to the evaluation team, the research officer position was created not to undertake research but to ‘coordinate and facilitate research arising from the stakeholder consultative process; however, over the years the Forum has seen the need for evidenced based policy advisory services.’¹⁰ This led to the creation of the research advisor position. The purpose of the position was to get the research agenda from the stakeholders, develop terms of reference for studies to address the stakeholder research agenda, recruit consultants to undertake and manage them. An important reason why this research officer position (only recently filled) was also important is because the FSRP research agenda over the years was perceived by ACF to frequently be driven by Michigan State University (MSU) and not the Zambian stakeholders who should have been doing so. For example, ACF is currently managing two studies that FSRP failed to undertake due to its own set agenda. This clearly represents a program management issue of some importance and has implications for the proposed merger of FSRP with ACF.

The Secretariat holds both an administrative and a technical role. The Secretariat assists the Executive Board, maintaining records of meetings, and accounting for the funds and other operating resources of the ACF. At the technical level, the Secretariat initiates and/or coordinates research and policy studies in response to emerging issues affecting the agriculture sector or specific concerns of the members and generates Policy Advisory Notes (PANs). The Coordinator is responsible to report to the donors and the Board on the progress being made, and is responsible for preparing technical and financial reports.

ACF program management was considered quite effective from 1998 through August 2005, when ACF had a highly capable Coordinator who provided strong professional leadership. The new Coordinator took over in 2006 and remained through December 2010. The image of the Forum was highest from 2006 to 2009, as evidenced by the number of achievements recorded during this period, yet the performance of ACF went down over the past 1.5 years due to increasing lack of commitment of the Coordinator. Currently, the ACF remains without a Coordinator, and efforts to replace him will not begin until the end of March, 2011 when the question of a possible merger with FSRP is expected to be resolved.

A number of concerns were raised by some stakeholders concerning how personnel at ACF were recruited. MACO was perceived to have managed to place its older (retiring) Ministry staff as Coordinators at ACF whenever the position became vacant (as a favor to its staff because ACF provided better remuneration). Yet the facts are that though the first Coordinator was seconded from MACO, the second Coordinator was hired by the ACF Board through advertising on the open market; and as the most qualified, he had to resign from his MACO position to take the ACF position. Questions were also raised on the appointment of Board Members and the effectiveness of the Board, but such claims were difficult to verify.

¹⁰ Personal communication with ACF, March 2011.

The GRZ (Government of Republic of Zambia) has been slow in implementing the recommended policy reforms and says more about the admittedly slow movement of (any) government than it does about ACF's own performance. It has been pointed out that the majority of the ACF policy advisory notes have been or are currently being implemented by MACO. ACF also recently experienced poor communication or awareness building efforts, making its agenda and achievements less effective.

Even though ACF gave a strong voice to private sector stakeholders, imbalance in power of stakeholders was observed; some were more influential than the others, causing difficulty in setting a strong policy advocacy agenda.

STAFFING AND CAPACITY DEVELOPMENT

USAID and SIDA jointly, or SIDA alone, sponsored the training activities of the ACF personnel. However, ACF itself did not sponsor any person either from ACF or from its NGO stakeholder partners, for any kind of training. SIDA sponsored short term training in upgrading skills of the ACF staff in project management and gender issues, and jointly with USAID sponsored training on accounting matters. The Coordinator of the ACF went to Swaziland for a short course on gender issues in 2009, funded by SIDA. The ACF Program Officer was also sent to Swaziland for a project management course the same year. SIDA/USAID jointly sponsored the ACF Accounting Officer in 2009 for training on how to do accounting for donor funded projects and project risk management at the Zambia Centre for Accounting in Lusaka. The Accountant also participated in a short term training course funded jointly by SIDA and USAID held in Johannesburg in 2009 to learn about USAID/CDC regulations and policies, management of cooperative agreements, fundamentals of USAID contracting (RFP- Close out), administrative compliance requirements, financial management of USAID/CDC awards, etc. The Accountant also went to Cape Town in 2010 on SIDA's account for a Post-graduate Diploma in Business Administration.

M&E SYSTEM AND TARGETING OF BENEFICIARIES

The USAID/Zambia 2007 cooperative agreement contract with ACF clearly specifies that ACF will develop a Monitoring & Evaluation Plan/Performance Monitoring Plan within the first 60 days of the award, and approved by the CTO of the project. There it stated that the Performance Monitoring Plan (PMP) should include:

1. Progress against agreed-upon indicators from the Monitoring and Evaluation Plan to date;
2. Identification of actual or potential challenges or threats to the successful implementation of the activity;
3. Planned activities for the forthcoming quarter;
4. A comparison of actual accomplishments with the goals and objectives established for the period, the findings the investigator, or both. Whenever appropriate and the output of programs can be readily quantified, such as quantitative data should be related to cost data for computation of unit costs;
5. Reasons why established goals were not met, if appropriate; and
6. Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs

Performance of the project in implementation, and responding to the PMP indicators defined for performance monitoring, were to be reported through the quarterly reports as defined above, but no PMP was found for the ACF.

PERFORMANCE INDICATORS: PROJECT OUTPUTS, OUTCOMES

The evaluation team was not able to find the PMP document that was to have been created at the outset of the program. According to the USAID ACF CTO, USAID did not require a separate document of this kind to guide performance over the life of the project (even though it was required in the cooperative agreement).

USAID guidelines for the development of project PMPs asked that programs clearly show how project components and objectives are linked to the USAID/Zambia strategic framework within which the project was conceived. Project objectives lead to specific output, outcome, and impact indicators which will permit proper assessment by program managers of progress being made. Annual targets must be set for each indicator, with quarterly or annual reporting (as appropriate) of progress made in achieving these targets. Most quarterly reports are expected to include a summary Indicator Performance Tracking Table (IPTT) that shows in one place progress being made by quarter/year towards end-of-project established targets. Unfortunately, ACF did not develop such a document, which could have served as a ‘living document’ and roadmap that was annually reviewed and updated throughout the life of the project.

USAID/Zambia created its own PMP for the economic growth portfolio of projects, as appropriate. This document shows the Performance Indicator Reference Sheets (PIRs) defining the specific indicators that USAID itself is tracking for its own management purposes and reporting needs through its annual Operational Plan (OP). Different projects contribute to these various indicators, as appropriate.

Activities and outputs of the ACF are included in the USAID IR5.4 Results Framework on ‘Improved Enabling Environment in Growth’. A set of two output indicators were established by USAID/Zambia to monitor the progress of this project. Consultations and Policy Advice were considered the key activities to be tracked, and the number of Policy Reforms Analyzed and Number of Policy Reforms presented to the government for legislative action and decree were the key performance indicators requested (cf. Table 2 below).

Table 2. USAID/Zambia Operational Plan Output Indicators for ACF

Activity	Key Performance Indicators	Data Sources	Baseline	LOP Target
Consultations	Number of <u>policy reforms analyzed</u> as a result of USG assistance	Project surveys	3	15
Policy Advice	Number of <u>policy reforms presented</u> for legislation/decreed as a result of USG assistance	Project surveys	4	7

By September, 2010, ACF had reported that it had analyzed 27 policy reforms, of which 17 of had gone on to be presented to GRZ for legislative action and possible new decrees, thus exceeding both the EOP targets. As anticipated, ACF worked closely with the Food Security Research Project (FSRP) managed by the Michigan State University in undertaking much of the basic research and data analysis required to inform decision makers on these policy issues. A detailed list of the policy reforms analyzed and presented to GRZ for these two activities (Consultation and Policy Advise of the IR5.4), their indicators, results, major achievements, and impact since 2004 are given in Attachment 1.

With respect to these indicators, the evaluation team has observed that the ACF might have improved their PMP by adding a number of outcome and impact indicators which would give a better measure of the actual results of these efforts. Simply counting the number of policy reforms analyzed or presented to GRZ for legislative action might fill a USAID OP “F” indicator requirement, but they tell us almost nothing about whether or not these proposed policy reforms actually were acted upon, and more importantly, whether or

not they actually had the impact upon Zambian private sector agricultural productivity and competitiveness desired. Was the enabling environment actually improved? Has it become easier to do conduct trade and investment within Zambia? Has the agricultural private sector become more competitive as a result? Policy changes are difficult to undertake, and take time to implement. ACF has been in the business of assisting in this area for over 10 years, so one might expect that there might be some tangible results by now. Actually, the evaluation team believes that some positive results of this kind have taken place, and that a number of initiatives have only recently come to fruition, or are about to take place. It is unfortunate that no system has been put into place to actually attempt to quantify and measure the impacts that have been made, or that we can anticipate will be made as a result of these ACF program actions. These are discussed in more detail below.

ACF ACHIEVEMENTS AND IMPACTS

ACF served as an important private sector legal entity to bring private sector stakeholders together as a forum to discuss ways to influence GRZ policy; and helped influence the direction of applied research by FSRP to address policy issues. Although, targets achieved reflected numbers only, which may really not show any immediate impact of the project, some of the reforms approved by the government do have significant potential. For example, ACF support to the Marketing Act, the Credit Act, E-Voucher System, reduction of input supply packs under the revised Farm Input Supply Program (FISP), partial removal of maize export ban, and removal of VAT on inputs imports and withdrawing of 46% withholding tax on agricultural commodities, etc represent some real progress and support to the Zambian agricultural private sector.

Stakeholders' meetings have helped to bring GRZ attention to policy issues impacting the private sector. Increasing impact should become more apparent when all policy initiatives and acts are fully implemented. The Forum provided a cost-effective venue where different stakeholders were able to come together and discuss issues. ACF, therefore, with respect to USAID/Zambia financial contributions to ACF, reasonable value for was received for the \$762,118 investments made over the past six years.

Table 3 below provides a year by year listing of some of the major achievements made by ACF over the past six years.

Table 3. Highlights of ACF policy achievements

IR5.4	Result	Year	Major Achievement	Impact or Potential Impact
Activity: Consultation Indicator: Number of policy reforms analyzed as a result of USG assistance	1. Successfully held a stakeholders meeting on national budget for removal of VAT on agricultural inputs and withdrawal of 45% withholding tax on agro products.	2006	Zero-rating of agro inputs and removal of 45% withholding tax on agro products.	Increased incomes of farmers and other players in the sector by increasing their margins Affordable prices of agro products to end consumers.
	Facilitated a meeting on regional grain marketing- resulting in the partial lifting of the maize export ban.	2006	Partial lifting of maize export ban to the region.	Opens up the maize export market for Zambian farmers, increasing their competitiveness
	Facilitated stakeholder input into the CAADP process to ensure that	2006	GRZ signed on January 18, 2011 CAADP Compact	Increased potential investments into the sector especially for public related infrastructure

	views of stakeholders were heard and taken into account.		document representative of the views of key sector stakeholders.	development like roads, storage sheds/warehouses, dams etc. Potentially increased access to markets for inputs and agro products especially for smallholder farmers.
	Facilitated development of the concept paper on the development of a Marketing Bill and engaging of a legal expert to draft the layman's bill.	2009	Layman's Bill drafted and submitted to Government departments for further consultation.	Once enacted, the Marketing Act will bring about efficiencies in the agricultural commodity markets. The Act will also remove distortions in agro markets and increase the role of the private sector that has been clouded by government's heavy involvement especially in maize marketing. Investment options are being prepared by GRZ to orientate new potential donor funds into Zambia.
	Facilitated review of the cassava value chain	2009	Formulated the Zambia Cassava subsector Strategy and Investment Plan	Once implemented the strategy will improve production and productivity of cassava and streamline marketing
Activity: Policy Advice Indicator: Number of policy reforms presented for legislation/decree as a result of USG assistance	Facilitated the review of the fertilizer support program (FSP) with recommendations submitted to government.	2008/9	Transformation of the FSP into Farm Input Support Program (FISP) to ensure efficient use of resources (farm inputs) through proper farmer targeting and appropriate input packages (i.e. reduction of input pack from 8x50kg bags to 4x50kg bags of basal & top dressing + 20kg seed). Before the reforms, seed was not part of the package.	Increased maize productivity (yield) from 1.4MT/ha to about 2MT/ha during the 2009/2010 farming season. Also, indirectly opened opportunities for the private sector to fill the gap in selling inputs like hybrid maize seed and herbicides to farmers.
	Facilitated stakeholders meeting to increase production and productivity resulting from rising world food prices.	2008	Advisory note on how to increase food production and productivity submitted to government.	Raised awareness on the need to improve production and productivity in the sector as opposed to trade restriction (export ban).

	Coordinated a detailed analysis on the livestock diseases in Zambia	2007	Advisory note was submitted to Parliament on disease control mechanisms in the country towards the Animal Health Bill, 2010 and Veterinary and Para-Veterinary Professions Bill, 2010	ACF facilitation raised awareness on the need to put in place disease preventive mechanisms “prevention is better than cure.”
	Facilitated the preparation of the Agriculture Chapter for the Sixth National Development Plan (SNDP)	2010	Final report submitted to the Ministry of Agriculture and Cooperatives (MACO) in Jul/Aug 2010	The Agriculture Chapter will ensure uninterrupted smooth implementation of sector programs from the Fifth National Development Plan (FNDP)
	Prepared a concept note on development of livestock sector which recommended i) changes in the institutional framework ii) review of key subsector documents iii) review of outdated Acts and legislation iv) a study tour in the region on livestock development best practices	2010	ACF facilitation contributed to the creation of the new Ministry of Livestock and Fisheries Development (MLFD) Recommendations submitted to Government on review of outdated acts and legislation	Reduced prevalence of livestock diseases through improved management practices that focus on prevention (animal health) as opposed to treating the disease whenever it breaks out. Increased livestock production and productivity; Improved marketing of livestock through revised acts and legislation

The following comments may be added to the table above.

Every year, ACF has been granted the privilege by GRZ to provide comments on the national budget before it becomes law, permitting the Zambian private sector an opportunity to voice its concerns over specific provisions, or lack of them. In the case of the removal of VAT and the withdrawal of the proposed 45% withholding tax on non-registered businesses in Zambia, the ACF Board Chairperson was able to take their letter directly to the President of Zambia, with successful results.

In 2007, ACF led policy dialogues on maize markets generated constructive debate between the private sector and GRZ, leading to assistance from the World Bank to the Ministry of Agriculture to give greater attention to these issues. During this year, analysis of livestock diseases was undertaken that led to an advisory note given to Parliament on disease control mechanisms in the country. For the first time, the GRZ recognized the contribution of the private sector in the distribution of fish fingerlings, permitting the private sector to begin to take a more active role in the distribution of fish, and allowing local communities to become more engaged in managing these aquaculture activities. ACF was also active in promoting the use of voucher for input distribution than the tendering system then in place, thereby also stimulating the agricultural marketing systems.

In 2008, ACF assisting in building consensus on the need to form a Conservation Agricultural Association to facilitate conservation agriculture messages within Zambia. Strong commitment continued in support of the CAADP initiative, with the GRZ encouraged to set aside at least 10% of its annual budget towards support of the agricultural sector, and to continue to review the FSP program.

USAID/Zambia Economic Growth End-of-Project Evaluation

In 2009, the most important achievement was clearly the success in revising the FSP – nine of ten recommendations made by ACF to GRZ were adopted, including a voucher scheme for farmers. The issue that 70% of the agriculture budget was going to the support of the maize program meant that other sectors of the economy, such as livestock and fisheries, were suffering. The overall percentage was reduced somewhat to 60% to maize. But the reduction of the GRZ subsidy for the ‘farm packs’ input support from 1 to .5 hectares has ended up being a really significant achievement because it has actually permitted the private sector to begin to have a market to smallholder farmers for hybrid maize and herbicides, which in turn has had a real impact on increasing household maize production (Kg/hectares) as well as increasing the overall hectares per smallholder farmers to almost 2 hectares/farmer.

REPORTING AND COMMUNICATIONS

ACF shared with the Evaluation Team a number of their Annual Reports and a few Semi-Annual reports. It would appear that ACF provided the required reports to USAID/Zambia during the life of the project, as contractually required. And they were accepted, as written. Our comments here have more to do with the content of these reports, rather than the submission process itself. The reports seen by the evaluation team were not geared to meet the project objectives and targets, or linked to any project indicators. The narrative sections were general in nature, highlighting various activities, such as stakeholders meetings and policy issues. No documents were found that showed formal submission to USAID reflecting the LOP targets, although most of the activities did address the USAID LOP. A clear link in the reporting of ACF project activities with key performance outcome and impact indicators and LOP targets would have been much better, not only in reporting the findings but also in monitoring the progress of the project. ACF was very slow in responding to the evaluation team’s initial request for project documentation, and only a few documents were initially provided. However, during the course of time, additional reports were provided. A detailed list of documents provided by ACF is given in Annex 3 of the Final Evaluation Report.

ACF has developed its own website at www.acf.org.zm. Here, one is able to track some of the on-going activities of the Forum and to review past publications and review. Gaining access to past publications was not considered an easy thing to do by the evaluation team, and this function might be improved. ACF might also want to consider including a performance indicator with respect to their website and inventory of documents by developing indicators that track the number of in-country ‘hits’ on the website in search for information, and also tracking which types of information/documentation are receiving the most ‘hits’ for information downloads, etc. This would help determine whether or not the webpage was proving to actually be a useful communication tool for ACF, and whether or not ACF stakeholders themselves were actually visiting this site for regular information or not.

CROPPING SYSTEMS AND FOCUS FOR IMPROVED PRODUCTIVITY, NUTRITION AND HOUSEHOLD ASSETS

ACF has targeted assistance to smallholder households by responding to interests from MACO and other Zambian and donor stakeholders in designing more effective approaches in assisting them. FSRP researchers have worked with ACF on Zambian rural households data sets to carefully identify relevant categories of resource poor smallholder farmers. Intervention in the Fertilizer Support Program has benefited the smallholder farmers in accessing inputs in adequate quantities and information on their efficient use to

increase crop yields, such as maize productivity (yield) which increased from 1.4MT/ha to about 2MT/ha during the 2009/2010 farming season.¹¹

ACF has also addressed issues relating to other smallholder crops, e.g. cassava sub-sector strategy, rice sub-sector strategy geared towards improving productivity of these crops. ACF with help from FSRP has looked at alternative strategies for maintaining soil productivity for resource poor smallholder cotton farmers based on feedback from Conservation Farming Unit on alternative to herbicides use. ACF has proposed changes in the dairy and livestock sector by helping create a new separate Ministry of Livestock and Fisheries Development (MLFD) so that it can better address needs of smallholder farmers to increase the productivity of their animals, thereby increasing not only their asset value but also providing added nutrition to their families.

BENEFICIARIES TARGETED AND VALUE CHAINS

ACF works closely with the FSRP project for any value chain analysis or development work. The main role of ACF is to bring to the attention of GRZ any policy related need that the government should be informed about and lobbied upon. Among the value chains where ACF has participated with FSRP was the Cassava Value Chain, and wheat studies. ACF supported the task force on Accelerated Cassava Utilization in 2009 aiming at strengthening the private sector commercialization of cassava and in planning by various stakeholders a sustainable development of the cassava value chain. The study is available on the ACF website “Zambia’s Cassava Value Chain Positioned to Expand” by the acceleration of Cassava Utilization Task force. And as noted above, ACF has helped to boost the competitiveness of private sector input suppliers to a number of other commodity value chains, perhaps the most important being the maize and livestock (beef and dairy) value chains.

IMPROVED ECONOMIC & FOOD SECURITY FOR SMALL HOLDER FARMERS AND WOMEN

ACF has been providing advisory services to GRZ on favorable policies and programs that contribute to economic improvement and food security of small scale farmers and women as well as reducing poverty. Examples of ACF interventions which have or may have contributed to improving the economic and food security of small scale farmers and women and to poverty reduction include the following:

- Policy Advisory Note on the Fertilizer Support Program (FSP) Reforms (2009): The overall objective of the program was to increase private sector participation in the supply of agricultural inputs to small-scale farmers and therefore contribute to increase household food security and income. This policy advisory note was recommended to the government for the transformation of the FSP into Fertilizer Input Support Program (FISP) to ensure efficient use of farm inputs through proper farmer targeting and appropriate input packages (i.e. reduction of GRZ subsidized input packs for smallholder farmers from 8x50kg bags to 4x50kg bags of basal & top dressing + 10kg seed). This was to be accompanied with

¹¹ While this increase in acreage may be a rational response by farmers to the unusually high (and probably unsustainable) price offered by the GRZ for maize, it nevertheless has resulted in a significant cash infusion into the local economies of many Zambian communities. Because every Zambian smallholder farmer grows maize as their most important food staple, becoming linked to access of improved much higher varieties of hybrid maize through expanding private sector input supply networks (such as that initiated by PROFIT), and the use of herbicides to reduce labor bottlenecks will encourage smallholder farmers to continue their use, even if prices should drop to more reasonable levels.

extension training to small scale farmers who included women. This led to better management of farmers' fields and resulted in higher productivity and production.

- Policy Advisory note on zero-rating of agro inputs and removal of 45% withholding tax on agro products (2006): Increased incomes of farmers and other players in the sector by increasing their profit margins. It also led to affordable prices of agro products for the consumers.
- Signed CAADP Compact for Zambia: The signing of this document is expected lead to increased investments in the agriculture sector, especially for public related infrastructure development like roads, storage sheds/warehouses, dams etc. Further, it will lead to increased access to markets for inputs and agro products for smallholder farmers.
- Facilitated review of the cassava value chain: The ACF facilitated the formulation of the Zambia Cassava Subsector Strategy and Investment Plan. Once implemented the strategy will improve production and productivity of cassava and streamline marketing, and increase household income.
- Facilitated development of the Marketing Bill: Once enacted by Parliament, the Marketing Act will bring about efficiencies in the agricultural commodity markets. The Act will also remove distortions in agro markets and increase the role of the private sector that has been clouded by Government's heavy involvement, especially in maize procurement and sale.
- Facilitated the revision of the Credit Act to include the Warehouse Receipt System: This Act will enable small scale farmers including women to have access to credit from banks by using their warehouse receipts as collateral.

REDUCED POVERTY?

Information on reducing poverty is embedded in the topics above. Any increase in income due to either increased crop or animal productivity, and linking farmers to markets will result in reduction in household poverty. Thus reduction in poverty is interlinked to all the initiatives that the ACF has promoted and are reported at various places in the report.

SUSTAINABILITY OF ACF AS AN INSTITUTION

Most of the stakeholders were very happy to see that such a Forum existed where they could openly discuss agricultural policy issues that concern them. ACF has been quite useful and successful in bringing many of these issues to the attention of the government to adopt or modify policies that encourage agricultural trade and development, thus help reduce poverty at the smallholder level.

However, recent deterioration of inner functioning (leadership and governance) of the ACF appears to have become an increasing concern for many stakeholders, and donors supporting the Forum as well. The ACF Board and senior management were aware of the decline, but failed to move quickly to address weaknesses within ACF, or in setting a clear proactive agenda for stakeholder members with strategic objectives to achieve. The result is that ACF has increasingly in recent years begun to function more as a simple Secretariat for other groups, and waiting for others to define their tasks. Due to the strong influence of MACO on its operations, ACF seems to have also lost its independence and has increasingly been seen as arm of MACO. As a result, ACF has failed to develop a well-defined vision for its future, policy agendas and strategies to reach its agendas.

ACF/FSRP Merger: To improve the long term sustainability of ACF, among the solutions being considered has been a merger between ACF and FSRP. Both ACF and FSRP managements were awaiting the outcome of an independent consultant's report that addressed this issue, and a final decision is expected around the end of March 2011. However, the merger appears to be increasingly unlikely due to recent changes in donor support for the idea. In our opinion, if the merger takes place, it could help strengthen the policy related endeavors in the country. Both ACF and FSRP play a complementary role in the policy sector, whereby ACF is bringing together the stakeholders to find the issues that concern them and FSRP does the policy research to devise policy papers that are submitted to the government for consideration to bring necessary policy changes. The merger between ACF and FSRP, therefore, would be a natural mix that could strengthen ACF functions and its operations, thus improve its long term sustainability prospects. One of the key issues with respect to the proposed merger is the perception that FSRP would take a dominant position in the merger, and FSRP is totally funded by USAID and implemented by Michigan State University for the next five years. This would give the perception that one donor, through a foreign entity, would have greater influence over setting the agenda of a supposedly Zambian institution than other donor groups. SIDA, with by far the largest financial stake in ACF in recent years is not interested in funding the research agenda of an American University, however excellent their research programs have been. This has led to their floating the idea that perhaps ACF should have its own policy research team (independent of FSRP), which the evaluation team believes would lead to even greater confusion with respect to past program initiatives.

Separate ACF & FSRP Entities: For this reason, the evaluation team considers past efforts to institutionalize both ACF and FSRP as Zambian institutions, each with their separate mandates focusing on where they have been most successful in the past, might be the best way forward.

Prospects of ACF survival under the circumstances look bleak. Even SIDA, the sole remaining donor, did not show much interest in its continuing support, unless ACF completely revamped its operations at Board and program management levels. SIDA might provide technical expertise to improve functioning of the ACF whether it stands alone or is merged into a new entity. Also, three stakeholders, viz. Millers Association, Grain Traders Association and Food Reserve Agency, indicated their willingness to contribute additional resources towards functioning of ACF if they were given a greater say in the functioning of ACF.

Government of Zambia and Policy Initiatives

Many of the policy initiatives taken by ACF represent in fact the initiatives of the government itself because ultimately it is the government that owns the national agricultural policy framework. Even though the GRZ process is slow and cumbersome, it has nevertheless undertaken a number of agricultural policy changes that should benefit a whole spectrum of stakeholders, including farmers, traders, bankers, and organizations involved in agricultural development. Some of the key recent policy initiatives announced by the government include signing of the Comprehensive African Agriculture Development Program (CAADP) agreement, Agricultural Marketing Act, Warehouse Receipt System, and Agriculture Credit Act.

ENVIRONMENTAL IMPACTS (IF ANY)

The evaluation team did not identify any areas in which ACF had achieved activities that might have had a direct impact on the environment.

CHALLENGES FACED AND OVERCOME IN PROGRAM IMPLEMENTATION

ACF has faced and continues to face a number of challenges in meeting its objectives and mandate. Among the most serious challenges has been the recruitment and retaining of experienced staff. There was a perception, among some stakeholders, that the Ministry of Agriculture and Co-operatives (MACO) used ACF as a place to send its retiring senior staff mainly as a means of making some extra income before they fully retired. The ACF Board was responsible for all recruitment, but clearly the process followed was not transparent enough for some of the ACF stakeholders. Result has been high turnover of staff, and inability of ACF to attract the best available staff in the market with outstanding management and policy experience. This has exacerbated the poor staffing situation existing at the ACF.

ACF has recently succeeded in recruiting a Policy Research Officer that will improve its own capacity to influence the direction of the research being conducted by stakeholders, including FSRP. As noted above, FSRP, led by MSU, has developed into an important source for applied research within Zambia, and was intended to be a key complementary partner to ACF for the needed research to inform policy decision making; FSRP has undertaken significant data collection, data analysis and writing of policy papers in support of ACF stakeholder initiatives (cf. Annex 8).. Yet MSU's agenda through FSRP was not always that of ACF's own – as driven by its stakeholders - and there have been issues where who were driving ACF's research agenda were not always clear. These issues remain unresolved and are key to future activities for both ACF and FSRP.

Appointment of ACF Board members was considered not very transparent. This has raised the question of the effectiveness of the Board. ACF also faced serious lack of oversight by the donor community, reflected in its poor quality of reports and implementation plans. Under the circumstances, ACF staff did what it considered was right even though the quality of output has remained.

Though ACF stakeholder partners have benefitted from the existence of ACF, most of them have failed to pay adequate membership dues, which will ultimately means they are also less interested in the inner working of ACF and in the need for its accountability. It was surprising to note that one of the most influential stakeholders was totally unaware of the current conditions at ACF. He said nobody told him. A candid discussion between the stakeholders and the ACF management could have alleviated some of the problems ACF is facing now.

Highly Successful Strategies

- Formulation of the Zambia Cassava subsector Strategy and Investment Plan
- Facilitation of the drafting of the terms of reference (TORs) and carrying-out the value-chain studies for wheat and dairy sub-sectors
- Transformation of the FSP into Fertilizer Input Support Program (FISP) to ensure more efficient use of GRZ subsidized resources (farm inputs) through better farmer targeting and appropriate input packages (i.e. reduction of input pack from 8x50kg bags to 4x50kg bags of basal & top dressing + 20kg seed). Before the reforms, seed was not part of the package.
- Creation of advisory note on how to increase food production and productivity submitted to MACO
- Submission of advisory note submitted to Parliament on disease control mechanisms in the country towards the Animal Health Bill, 2010 and Veterinary and Para-Veterinary Professions Bill, 2010

- ACF facilitation contributed to the creation of the new Ministry of Livestock and Fisheries Development (MLFD)
- Recommendations submitted to Government on review of outdated acts and legislation

Unsuccessful Strategies

There were no clear examples of unsuccessful strategies of the program. However, the main concern expressed was that many of the policy recommendations made to the government take too long before decisions are made. An example of this would be the process of convincing the MACO on the e-voucher as means of input delivery system.

Links to Government of Zambia (GRZ)

Although ACF did not get any government funding, it was created by the blessings of MACO as a mechanism through which agricultural sector stakeholders can bring to the attention of government the burning policy issues of the day influencing their own national, regional, and international competitiveness. MACO remained the main recipient of the ACF driven Policy Advisory Notes.

ACF also works closely with other key government bodies, such as livestock, finance, commerce, lands, food reserve (FRA) etc, who are also members of the ACF. Indeed, current membership from Zambian public institutions shows the presence of 12 GRZ entities and 4 parastatal organizations (cf. Attachment 3).

CONCLUSIONS, ACCOMPLISHMENTS, LESSONS LEARNED & BEST PRACTICES

- **Contributions to USAID/Zambia SO 5 Framework:** ACF has succeeded in supporting the enabling environment within which private sector firms are increasingly seeking to become more nationally, regionally, and internationally competitive.
- **ACF Output & Accomplishments:** Main function of the ACF was to serve as a platform for stakeholders meetings and discuss specific issues that concerned them. ACF did hold number of stakeholders meetings and the stakeholders in general appreciated the role played by ACF in this regard. ACF accomplished the outputs expected in the USAID enabling environment (IR5.4 Improved Enabling Environment in Growth) under the Economic Growth SO 5 objective. Twenty seven policy reforms were analyzed under the activity “Consultation”, and 17 policy reforms presented for legislation/decreed under the activity “Policy Advice”.
- **Economic Incentives:** By bringing to the attention of government important economic policy issues and having them adopted created economic incentives for investment, growth and increased economic linkages between producers and traders. Examples were removal of VAT on agricultural inputs, revision of Farm Input Support Program (FISP) by introducing small input packs and pending approval of e-voucher program, Marketing Act (Layman’s Bill), to increase role of private sector in the commodity marketing, Credit Act (warehouse receipt program), and signing of CAADP. These were the significant accomplishments of the ACF.
- **Performance Monitoring Plan:** ACF did not develop a PMP for project activities, which would have led to annual detailed work plans and the setting of strategic goals and objectives. Although USAID required a detailed annual work plan, the evaluation team believes no such document was ever created. This has had an impact on ACF long-term performance and its reporting activities, and represents one of the reasons for the difficulties it has had in recent years. As a result ACF reports were very general in nature,

mainly related to stakeholder consultations and cooperation with FSRP on policy issues, and with information provided not linked to any of the LOPs of the project. No serious concerns were raised either by USAID or the ACF Board on these reports.

A detailed PMP with a detailed annual work plan, revised every year reflecting changes in the project activities and direction would have been useful. USAID and the ACF management oversight to monitor the project activities therefore were weak. If a detailed PMP and project work plans had been developed, USAID would have been able to better monitor the project performance and corrected mid-course problems in implementation.

1. **Policy Research:** ACF lacked an in-house capacity to coordinate policy research issues, and has only recently been able to recruit a policy specialist who should now be able to help lead in prioritizing policy issues to be addressed among stakeholders. With such a person on the team, ACF should now be able to better understand the policy issues brought to it by stakeholders, or proactively working with stakeholders to understand policy issues that affect them negatively, before seeking help from FSRP. In theory, all policy issues raised by the stakeholders were to be passed coordinated and passed on to the Food Security Research Project (FSRP) where the appropriate (and excellent) research was to take place, and policy proposals written, and sent back to ACF for submission to the concerned government Ministry or department for action. According to ACF, this scenario is not actually what has happened – ‘100% untrue’ was their response. “In theory this sounds fine but in practice this never worked out” this way. “*Most of our research topic that came from stakeholders were never implemented by FSRP... We ended up contracting these to other research firms or individuals. The only analysis that FSRP has been doing for the ACF is the budget analysis... all these years, the research agenda for the ACF has been set by MSU.*”¹² And as described above, this research agenda was supposed to have been driven by ACF itself, through its own stakeholders. From ACF’s point of view, the scenario described earlier of ‘how it should work’ is the way ACF would like to see matters handled.

The evaluation team believes that it is a good thing that ACF did not develop its own team of policy researchers, which would have duplicated what FSRP was there to do, but ACF has certainly been in great need for high-level experienced leadership on policy issues and coordination to be able to hold its own with respect to FSRP and agenda setting for ACF.

2. **Donor Funding:** ACF depends exclusively upon donor support. Of the total funding of \$4,256,644 received from various donors from 2004-2010, USAID contributed \$762,118 (18%); DANIDA and NORAD contributed \$289,740 and \$377,195, respectively from 2004-2007, and SIDA contributed \$2,569,176 (60%) from 2008-2011. SIDA thus far has been the biggest donor. USAID paid for staff costs and project operations. No supporting documents were provided specifically linking ACF activities to USAID funding.
3. **Staffing:** Staffing and organizational set-up were inadequate to fulfill the ACF mandate. The evaluation team found four staff working in the office; one Program Officer, one M&E specialist, one accountant and a secretary. The Program Officer was the acting director. The M&E person was young and with limited experience. The last coordinator who failed to do a good job was laid off at the end of December, 2010.

¹² Personnel Communication Madsye Nawiko to Richard Swanson, March 7, 2011.

4. **ACF Operations, Lack of Appropriate Leadership:** In meetings with the ACF stakeholders, some serious concerns were expressed on ACF operations. For example, the Ministry of Agriculture and Co-operative representative said “things *have gone down since the last two years*”. Among the problems cited was lack of leadership, staff quality, unprofessional outlook (poor quality of reports), and skepticism on its diminished and laid back mode of functioning and insufficient output considering the significant amount of donor support, especially from SIDA. The SIDA representative also acknowledged the poor state of affairs at ACF, as did the interim coordinator of the ACF itself. Currently there is no fulltime coordinator, and the new one won’t be recruited until the merger with FSRP is resolved. ACF lacked strong leadership, both within its operational staff, as well as on the Board.
5. **Loss of Vision:** ACF seemed to have lost its way in recent years and much of its credibility by neglecting its own mission and objectives, and much of this has to be placed to the non-performance of the last Coordinator. The ACF Board could have moved much more quickly to repair this situation. As a result, ACF was no longer proactively engaging stakeholders, but simply serving as a Secretariat for other groups and what appeared to be waiting for others to define their tasks. ACF does have a strategic plan than ends in December 2011, and has plans to develop a new 5-year plan once the direction of its future is established in the coming months.
6. **Loss of Independence:** ACF was seen as an arm of MACO and thus seemed to have lost its independence.
7. **FANRPAN:** A regional policy organization, called FANRPAN (Food, Agriculture and Natural Resources Policy Analysis Network) has been established with headquarters in South Africa to serve the SADC countries. ACF is presently its Zambian node, but it was not clear how ACF actually plans to work with FANRPAN. This could become an important future partner.
8. **Sustainability:** ACF does not appear sustainable as it is currently operating, and would cease to exist were it not for the current SIDA funding through 2011. ACF has not been successful in itself leveraging a wider network of donor funding that could give it greater independence to set its own agenda, and this returns to the problem of lack of strong leadership.

Summary Responses to Key Evaluation Questions

The evaluation team was asked to assess whether or not USAID/Zambia Economic Growth SO 5 project - ZATAC, PROFIT, ACF, and FSRP - had “achieved the goals as originally agreed, and to what extent project outputs contributed to the economic growth program assistance objective”. Three specific evaluation questions, as well as a series of sub-questions, were framed by USAID/Zambia in our Scope of Work. These questions and our summary responses to them are provided in the text box below.

1. **Strategic design:** was the Results Framework structured effectively to lead to the SO5 objective – results – targets?
 - a. Which sub-tasks or individual activities of the project were most/least effective, why?
 - b. Assess how the project achieved performance targets.
 - c. Was the project successful in promoting smallholder farmers’ welfare, in terms of increased incomes, and increased sales? The question does not apply to ACF and FSRP.
 - d. Have project activities supported creation of self-sustaining economic linkages? To what extent has the project prepared similar organizations/projects to take up its current role?

- e. Have private sector partners integrated HIV/AIDS prevention into the core of their businesses? The question applies to PROFIT and ZATAC.
 - f. What were the major accomplishments of each project?
2. **Operational:** To what extent were the individual projects linked in order to contribute to the overall SO5 objective of
- a. Increasing private sector competitiveness?
 - b. Has the project contributed to the overall economic growth assistance objective of increasing private sector competitiveness?
 - c. Which tasks in the program description contributed most/least to the assistance objective?
 - d. Do project outputs contribute to the assistance objective?
 - e. Has the project delivered value for the money? Has this been a cost effective intervention?
3. **Impact:** Were the individual project objectives – results – targets reached as expected?

Strategic Design

The background justification for the creation of the Agricultural Consultative Forum was to bring Zambian private sector stakeholders together in a manner that would permit dialogue and assessments of issues of concern to them with respect to national agricultural macro policies affecting competitiveness. Their mission statement reads: “To promote in a non-partisan manner, evidence based private-public sector dialogue, consultation and participation in the development, implementation, monitoring and evaluation of agricultural sector policies and programs. ACF came into existence at a time when Zambia was transitioning from a centrally controlled and state-run economy to one relying much more on private sector-led growth. An early hypothesis was that “institutionalized stakeholder consultations (i.e. the Forum) will result in less abrasive meetings between Government and the different lobby groups, resulting in more public-private partnerships as opposed to unproductive counter-accusations”. This hypothesis has proven itself to have been valid, as the ACF has indeed permitted a great deal of productive interaction between different private sector groups and different Government agencies, including Parliament – leading to new or revised legislation. With respect to the USAID/Zambia SO #5 Framework, the ACF project contributed most directly to Intermediate Result 5.4: “Improved Enabling Environment in Economic Growth”, and through its activities in the policy arena, has also contributed indirectly to the other three IRs: IR 5.1 “Increased Access to Markets/Trade & Investment Area” IR 5.2 “Enhanced Value-Added Production and Service Technologies/Agricultural Productivity/Private Sector Competitiveness” and IR 5.3: “Increased access to Financial & Business Development Services/Economic Opportunities/Financial Services”. Performance indicators were only developed for IR 5.4 however.

In its early years of existence, ACF was quite effective in serving to bring private sector stakeholders together as a forum to discuss ways to influence GRZ policies, and to launch applied research (through FSRP) to organize the facts to support different legislative positions. At the time, the ACF Chairperson had direct access to the President of Zambia, which gave the organization some influence. Changes in national leadership, in ACF leadership and a not-fully-engaged board, has weakened this influence in recent years. Add to this perhaps FSRP’s own growing influence and leadership within MACO and other ministries, and we may understand in part ACF’s dilemma.

The bar for ACF performance targets was set very low with only two output OP indicators to be achieved within IR 5.4, and these targets were greatly exceeded. No outcome or impact indicators were every developed which might have helped to keep the organization focused on its primary objective. Because of the complementary nature of the association of FSRP with ACF, the two organizations together could have early on agreed to some more robust system of monitoring program performance and how to quantify outcomes and impacts in all four IR areas. For example, each of the policy initiatives tackled has ‘real-life’ impacts on private sector firms and smallholder farming households. Baseline values could have been established for each of the policy initiatives, and then through FSRP applied research, impacts quantified by year. For example, how much did the removal of the 45% withholding tax on agricultural products save Zambian firms, once this legislation was passed? How did the partial lifting of the export ban on maize increase exports? With the reduction of the size of the GRZ input packs for smallholder farmers, how much increase (volume, value) was realized in sales by Zambian input supply firms to smallholder farmers – and what was the impact of this on increased yields? With the recent signing of CAADP agreement, should not ACF/FSRP be monitoring increased \$ investment activity into Zambia agricultural sector, and wouldn’t this be directly linked to assessing impact on Zambia’s private sector competitiveness? Every one of the 27 policy reform initiatives worked on in the past six years could have been quantified in some way to monitor outcomes and impacts each subsequent year. Reporting on such impact would in turn have become a tool to further encourage ACF and GRZ of the importance of this initiative.

Though not directly attributable to ACF (or FSRP) the evaluation team would affirm that their success in reducing the GRZ subsidized input packs for smallholders did have a direct impact on promoting smallholder farmers’ welfare in terms of increased sales of farmer commodities and incomes. How? Though perhaps not the anticipated result, what actually happened was that farmers, knowing the value of these inputs, have increasingly become linked to input supply firms (thanks to PROFIT initiatives) who could provide them with improved seed varieties (i.e. hybrid maize), other products like herbicides to reduce the labor bottleneck for planting and weeding, and other services (increased herd sizes when cattle are sprayed to reduce tick diseases).

To date, neither ACF – nor its complementary partner FSRP – are sustainable entities, and therefore the project has not prepared itself – or similar organizations – to continue its current role into the future. ACF is completely dependent on outside donor support, yet MACO currently influences its agenda and staffing, so this reduces the very independence the organization states it values.

The major accomplishments of the project are listed under impact below.

Operations

One of the key purposes for the creation of ACF was to bring together private sector and other stakeholders within the agricultural and natural resource sector to work on the challenge of increasing the sector’s competitiveness both nationally, regionally and internationally. Doing so remains very important, and some success was achieved in this respect. The project was less successful, however, in bringing together the USAID S0 #5 EG program partners together for this purpose; perhaps the assumption was that as members of the overall ‘stakeholder’ group for ACF, this purpose would be achieved. ZATAC, for example, was one of the ACF Zambian stakeholder firms, though PROFIT, as a project, was not. Yet, our review of ZATAC indicated policy issues of concern to agri-business firms supported by ZATAC that never reached the level of being discussed within any ACF forum. The issue appears to have been that some ‘stakeholders’ had greater influence on setting the agenda for the Forum than others, and this becomes an area for greater attention for future ACF agenda setting procedures.

ACF has suffered, in recent years, from poor executive leadership of its agenda, as well as in leadership from its board. The Board did not move quickly enough to address weaknesses with ACF or in setting a clear proactive agenda for its stakeholder members. Without strong executive leadership in understanding the policy dynamics of Zambian institutions (and politics), it is difficult to bring people together around issues of importance. ACF leadership should probably not be drawn from GRZ senior management positions.

Given the fairly modest sum of USAID funding over the past six years (\$752,118), the evaluation team would confirm that USAID received value for the money spent. For an organization like ACF to maintain its operational independence, it is extremely important that it receive its funding from a wide spectrum of funding sources, and historically this has been the case. In recent years however, funding has been limited to largely one donor: SIDA, and funding support from its own key Zambian stakeholder groups has been extremely low (\$203,382 over 6 years). Limiting GRZ funding to ACF is probably still a good strategy, in order for the organization to remain independent of GRZ control of its agenda.

Impact

The main function of the ACF was to serve as a platform for stakeholders meetings and discuss specific issues that concerned them. ACF did hold many such stakeholders meetings over the past six years; stakeholders in general appreciated the leadership and services provided. ACF accomplished the output targets initially set for IR 5.4 Improved Enabling Environment for Economic Growth) under the Economic Growth SO #5 objective. Twenty seven policy reforms were analyzed under the activity “Consultation”, and 17 policy reforms presented for legislation/decreed under the activity “Policy Advice”.

ACF has served as an important Zambian private sector legal entity to bring private sector agricultural and natural resource stakeholders together in a forum to discuss ways to influence GRZ policy. ACF, through its active stakeholders, has succeeded in influencing the direction of applied research by FSRP to address various policy issues identified by the stakeholders. Every year, ACF has been granted the privilege by GRZ to provide comments on the national budget before it becomes law, permitting the Zambian private sector an opportunity to voice its concerns over specific provisions, or lack of them. Among its various achievements were the removal of VAT and the withdrawal of the proposed 45% withholding tax on non-registered businesses in Zambia. The ACF coordinator at the time was able to take this matter directly to the President of Zambia, with successful results. Similarly, ACF was successful in lobbying the GRZ in reducing the size of maize input supply pack to half. It not only helped increase the maize yields from 1.4MT/ha to 2.0MT/ha, but also provided an opportunity to the private sector to fill the gap in the supply of agricultural input. During this year, analysis of livestock diseases was undertaken that led to an advisory note given to Parliament on disease control mechanisms in the country. For the first time, the GRZ recognized the contribution of the private sector in the distribution of fish fingerlings, permitting the private sector to begin to take a more active role in the distribution of fish, and allowing local communities to become more engaged in managing these aquaculture activities. Over number of years ACF provided strong commitment in support of the CAADP initiative, which was finally signed by the GRZ in January, 2011. Under this agreement, the GRZ will set aside at least 10% of its annual budget towards the support of the agricultural sector.

RECOMMENDATIONS

Based on the above conclusions, the following recommendations seem reasonable:

1. **Develop a Performance Monitoring Plan, M&E:** ACF, if it is to continue operations into the future, must develop a much better PMP for both donors and ACF management to better track the outcomes and

impacts of their activities to the benefit of their constituents – their stakeholders. Some form of short-term technical assistance may be needed to help lay the foundation for this in the future, and both donors and stakeholders should be intimately involved in this process. Future reporting should be closely linked to a detailed PMP, linked to project activities, with expected results, and targets. Outcomes and impact indicators should be tied to actual impacts on the Zambian private sector stakeholders for whom new or modified legislation was intended to serve.

2. **Build on Strengths:** ACF needs to build upon what it has done best in the past, and that is proactively setting agenda for its stakeholders in identifying policy issues that need to be addressed, and then identifying those most capable of undertaking the necessary research to inform the debate - go to stakeholders, don't wait for them to come to you.
3. **Broaden Support Base:** ACF needs a broader financial support base if it is to continue to stand alone, and retain its independence. Support from GRZ should probably be limited for the foreseeable future, or it might lose its independence as a voice representing the Zambian private sector in particular vis-à-vis the GRZ. Explore financial backing of Millers Association, Grain Traders Association and FRA who have expressed financial help to ACF, as well as a broader sharing of costs between past donors (USAID, SIDA, NORAD, and DANIDA).
4. **Improve Board of Directors:** ACF, if were it to stand alone or be merged, needs a much stronger and professional board with strong policy credentials, and strong leadership. They need to focus on the big-picture policy issues, and not become involved in day-to-day implementation. Donor support should be contingent upon clear performance indicators for results and impact, and not simply counting output numbers.
5. **Program Coordinator:** Recruit a professional and experienced project coordinator without any delay in an open competition.
6. **Policy Research:** ACF should not try to develop its own 'policy research division'- this will only take away from its stated mission and compete with FSRP unnecessarily, creating confusion among stakeholders. Support needs to be given to the newly recruited policy advisor to help ACF take a greater role, on behalf of its stakeholders, in setting ACF's policy research agenda that impacts directly on their regional and international competitiveness.
7. **Physical Sitting:** Explore the possibility of getting a free plot of land from the government to construct office site to improve its long term presence and long term sustainability.
8. **Merger vs. Stand Alone Institutions:** Resolve the question of merger between ACF and FSRP as quickly as possible, always keeping focus on the building of Zambian private sector institutions with the means of financially supporting the level of professional expertise required to succeed.

ATTACHMENTS

ATTACHMENT I: NUMBER OF CONSULTATIONS HELD

With Stakeholders on Policy Reforms with USAID Assistance Against a LOP target of 15

2010	Agricultural Marketing systems
	Sixth National Development Plan
	Livestock sector productivity
	Cassava sub sector value chain analysis
2009	Agricultural Input Markets
	Cassava sub sector value chain analysis
	Review GRZ agricultural budget
	Renewed commitment to CAADP
2008	Outbreaks of Livestock Diseases in Zambia
	Impact of Rising World Food Prices on Zambia
2007	Maize Market Policy
	Control of Livestock Diseases
	Aquaculture Development in Zambia
	Fisheries Amendment Bill
	Agriculture Marketing System and Agricultural Finance in Zambia
2006	Regional Grain Trade
	National Budget Meeting 2006
	CAADP Implementation
	Out-grower Sector
2005	2005 National Budget
	Accelerating Adoption of Conservation Farming
	Fifth National Development Plan (FNDP)
2004	Implementation of the Maize Market Development Plan and Further Development of Conservation Farming in Zambia
	Cassava Utilization as a Substitute for Maize in Stock Feed Manufacturing
	Resource Allocation to the Agricultural Sector
	Agricultural Market Development Plan (AMDP)
	Livestock Sector Development

ATTACHMENT 2: NUMBER OF POLICY REFORMS

Presented to Government with USAID assistance against LOP target of 7

2010	Agricultural Marketing systems	Concept Note on agricultural marketing prepared and submitted to MACO. Layman's bill on agricultural marketing systems prepared by using the concept Note. Bill submitted to Cabinet for approval
	Sixth National Development Plan	Agriculture chapter of the sixth National Development Plan prepared and submitted
	Livestock sector	Concept Note submitted to MACO/MLFD on the development of the livestock sector recommending (i) institutional changes; (ii) review of sub sector strategy (iii) review of outdated Acts
	Cassava sub sector initiated in 2004	Cassava sub sector strategy paper prepared, submitted and approved by govt. And implementation unit appointed
2009	Agricultural Input Markets	Report on reforms on the Fertilizer Support Program which outlined the need for an e-voucher program submitted and approved, except the e-voucher component which is still pending
	Cassava sub sector	Cassava sub sector development strategy and its investment plan preparation facilitated
	Review GRZ agricultural budget	GRZ should adhere to the CAADP agenda and allocate at least 10% of its resources to agriculture sector
	Renewed commitment to CAADP	CAADP agreement revised and re-submitted. Approved and signed in January, 2011.
2008	Outbreaks of Livestock Diseases in Zambia	Submitted to MACO and Parliament. Recommendations accepted. The key message and recommendations were that the spreading of cattle diseases in Zambia has mainly been due to movement of animals to disease free areas. There is there need to strictly enforce the movement of animals in the country in order drastically reduce the incidence of diseases spreading. Further, it was pointed out that it is cheaper to reduce the occurrence of diseases than to treat them.
	Impact of Rising World Food Prices on Zambia	Policy note prepared, submitted and approved by government in order to safeguard against future price shocks and to ensure food security; and ensure to enhance productivity and production in Zambia to bring stability in the agricultural sector.
2007	Advisory Note on Maize Market Policy	Prepared and submitted and accepted by the government to incorporate it in the Layman's Bill, called the Market Act to improved transparency by consultation among market actors.
	Advisory Note on Aquaculture Development in Zambia	Note submitted and accepted for establishment a fingerling distribution model through public private partnerships to boost the growth of fish production and promotion of investment in aquaculture through creation of an enabling environment
2006	Regional Grain Trade	Addressed in the Layman's Bill.

	National Budget Meeting 2006	Adopted by government to remove Value Added Tax on agricultural inputs and withdraw the proposed withholding tax for the supply of goods and services
	Accelerating Adoption of Conservation Farming	Accepted and MACO has established a new program. The Note was for the Ministry of Agriculture and Cooperatives' s information on how to accelerate adoption of Conservation Farming in Zambia
	Resource Allocation to the Agricultural Sector	Note to MACO and followed it up, and MACO incorporated in CAADP. Through this note, highlighted the need to increase funding to agricultural development activities such as extension and research, and not only towards "Targeted Support Systems for Food Security" programs such as the Fertilizer Support Program (FSP)
	Agricultural Market Development Plan (AMDP)	Incorporated in the Marketing Act highlighting the need for government to spearhead the commencement of the implementation of the AMDP

ATTACHMENT 3: ACF STAKEHOLDERS

Institution	Role
<p>Government (11)</p> <p>Ministry of Agriculture and Cooperatives</p> <ul style="list-style-type: none"> Permanent Secretary – Agriculture (1) Permanent Secretary – Cooperatives (1) Permanent Secretary – Ministry of Finance and National Planning (1) Permanent Secretary – Ministry of Local Government and Housing (1) <p>Permanent Secretary – Ministry of Lands (1)</p> <p>Permanent Secretary – Gender in Development Department (1)</p> <p>Permanent Secretary – Ministry of Commerce and Trade (1)</p> <p>Executive Director – Food Reserve Agency (1)</p> <p>Permanent Secretary – Ministry of Community Development and Social Services (1)</p> <p>Executive Director – Export Board of Zambia (1)</p> <p>Executive Director – Food and Nutrition Commission (1)</p>	<p>Policy/regulation and services</p> <p>Policy/regulation and services</p> <p>Resource mobilization</p> <p>Decentralization & infrastructure development</p> <p>Land tenure</p> <p>Gender Issues</p> <p>Commercial Issues</p> <p>Maintenance of National Strategic Food Reserve</p> <p>Food Security</p> <p>Marketing</p> <p>Food Security</p>
<p>National Assembly (1)</p> <ul style="list-style-type: none"> Chairman – Committee on Lands and Agriculture, Parliament (1) 	<p>Policy/regulation and services</p>
<p>Agribusiness (16)</p> <ul style="list-style-type: none"> Agribusiness Forum Zambia Cotton Ginners Association (1) Zambia Export Growers Association (1) Coffee Board of Zambia (1) Zambia Seed Traders Association (1) Zambia Dairy Processors Committee (1) Zambia Association of High Value Crops (ZAHVAC) (1) Tobacco Association of Zambia (1) Livestock Processors (1) Millers Association of Zambia (1) Bankers Association of Zambia (1) Association of Micro-Finance Institutions in Zambia (1) Zambia Chamber of Commerce and Industry (1) Poultry Producers Association of Zambia (1) Cotton Association of Zambia (1) Grain Traders Association (1) 	<p>Agricultural services delivery</p>
<p>Agro-based NGO Forum (4)</p> <ul style="list-style-type: none"> Heifer International (1) Women in Agriculture (1) Programme Against Malnutrition (1) Concern Worldwide Zambia (1) 	<p>Agricultural services delivery</p>
<p>Farmer Representation</p> <ul style="list-style-type: none"> Large-scale Commercial farmer (1) Small-holder Farmers Representative (1) Zambia National Farmers Union (1) District Agricultural committees (1) 	<p>Beneficiary mobilization</p>

<p>Private/Public Sector Partnerships (4)</p> <p>Golden Valley Agricultural Research Trust (1) University of Zambia – School of Agriculture (1) Zambia Agricultural Research Institute (1) District Agricultural Committees (1)</p>	<p>Agricultural services delivery</p> <p>District vertical linkage</p>
<p>Donors (6)</p> <p>World Bank (1) FAO (1) USAID (1) Sweden (1) JICA (1) African Development Bank (1)</p>	<p>Funding and Advisory</p>
<p>Total - 46</p>	

ATTACHMENT 4: ACF POWERPOINT PRESENTATION TO EVALUATION TEAM (JANUARY 13, 2011)



Where does the ACF come from?

- ❑ Agricultural Stakeholders needed a voice in the policy decision making processes during the transition process from a centrally controlled and state-run economy to private-sector lead growth.
- ❑ Thus the ASIP Consultative Forum was established in 1998 as an ASIP project.
- ❑ In 2003 the ACF changed its name to Agricultural Consultative Forum and registered as a Stakeholder Association under the Zambian Societies Act.

Who is the ACF?

The ACF is made up of stakeholders in the agricultural sector representing all five constituencies:

The diagram shows a central circle labeled 'ACF' surrounded by five overlapping ovals representing different constituencies: Public Sector, Private Sector, Donor Agencies, Research Institutions, and NGOs.

What is the ACF's mission?

To promote in a non-partisan manner:

- evidence based private-public sector dialogue,
- consultation in the development and participation in the implementation process of agricultural sector policies as well as
- monitoring and evaluation of agricultural development programmes.



What are the ACF's Guiding Principles?

- **Independent:** ACF is a registered Zambian Organisation
- **Member driven:** ACF is an association of stakeholders
- **Member owned:** ACF is governed through AGMs
- **Transparent:** ACF is guided by a board of directors
- **Lean structure:** ACF Secretariat staff is highly educated, motivated and efficient.
- **Inclusiveness:** Private, public, civil society and donors
- **Evidence Based:** Sector analysis and monitoring to provide decision makers with quality policy advisory services



Key Strategic Objectives

- To provide a forum for dialogue and consultation on government policies and programmes among key stakeholders and contribute to information sharing coordination and networking between stakeholders;
- To monitor and evaluate the implementation of government policies and programmes and undertake agricultural policy analysis and research;
- To provide an efficient and effective institutional structure that is responsive to stakeholder needs



Total Expenditures to Date

15th December 2004 to 30th September 2010

- USD 762,118



Achievements and Impact 2006 to 2010

2006:

- Agricultural Stakeholder Meeting on National Budget – removal of VAT on agricultural inputs and withdrawal of the proposed 45% withholding tax
- ACF Meeting on Regional Grain Marketing – Partial lifting of the Maize export ban
- Value Chain Development – participatory approach to value chain development proved successful in Cassava and Aquaculture sub-sectors
- Facilitation of stakeholder input to the CAADP Compact drafting process – stakeholder views were effectively voiced and were considered in the final documents

 **Achievements and Impact 2006-2010**

2007:

- Policy Dialogue on Maize Markets – generated a constructive debate between Private Sector and the Government
- Analysis of Livestock diseases – Advisory Note given to Parliament on disease control mechanisms in the country. Prevention better than cure
- Aquaculture development – fingerling distribution model through public private partnership
- Fisheries Bill – Need for government to involve communities in the management of fish capture
- Agriculture marketing systems – Use of vouchers in input distribution a better option to the current tendering system

 **Achievements and impact 2006-2010**

2008:

- Conservation agriculture – consensus reached on the need to form a Conservation Agriculture Association to facilitate harmonisation of CA messages
- National Budget – (i) Stick to CAADP commitment ; (ii) allocate more resources to the drivers of change (iii) review the FSP
- Regional food reserve – concept good but assumptions unattainable. Better to increase food production (SADC Fund)
- Rising World Prices – AN on how to increase food production and productivity

 **Achievements and impact 2006 - 2010**

2009:

- Facilitated the review of the Fertiliser Support Programme. Reforms being implemented (Farmer Input Support Programme)
- Facilitated stakeholder involvement in the GRZ agricultural budget review
- Facilitated development of the Cassava Sub sector strategy
- Facilitated the preparations of the Agricultural Marketing Act
- Contributed to the livestock sub sector reviews
- Facilitated renewed commitment to CAADP

 **Achievements and impact 2006 - 2010**

2010:

- Facilitating the preparation of a concept paper on the development of a Marketing bill and engaging a legal consultant to draft Layman Bill
- ACF facilitated the preparation of the agriculture chapter of the 6th NDP
- Prepared a Concept Note on the development of Livestock sector which recommended (i) changes in the institutional framework (New Ministry created); (ii) review of sub sector documents; (iii) review of outdated Acts, and new ones put in place; (iv) a study tour in the region on livestock development best practices (undertaken)
- ACF facilitated the review of cassava, wheat & Dairy sub sectors commodities



Key obstacles/challenges

- Update of policy advisory notes by Government takes time
- Institutional sustainability of ACF

Key Issues for follow up from 2011

- E-voucher Program (camp register & agro dealer network)
- Livestock and Fisheries
- Agricultural Marketing
- Commodity value chain analysis
- 6NDP/CAADP implementation
- Monitoring & Evaluation framework for the 6NDP/CAADP

