



# PRODUCTION, FINANCE, AND IMPROVED TECHNOLOGY PLUS (PROFIT+)

**TASK ORDER NO. AID-611-TO-12-00002**

**QUARTERLY PERFORMANCE REPORT #3  
JANUARY 1 2013 – MARCH 31<sup>ST</sup> 2013**



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#### **DISCLAIMER**

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

## ACRONYMS

AFE	ACTION FOR ENTERPRISE
ASNAPP	AGRIBUSINESS IN SUSTAINABLE NATURAL AFRICAN PLANT PRODUCTS
BEO	BLOCK EXTENSION OFFICERS
CASH	COMMERCIAL AGRIBUSINESS FOR SUSTAINABLE HORTICULTURE
CEO	CAMP EXTENSION OFFICERS
CFU	CONSERVATION FARMING UNIT
COMACO	COMMON MARKETS FOR CONSERVATION
COR	CONTRACT OFFICE'S REPRESENTATIVE
CRS	CATHOLIC RELIEF SERVICES
DACO	DISTRICT AGRICULTURAL COORDINATOR
DFA	DISTRICT FARMERS' ASSOCIATION
DWA	DISTRICT WOMEN'S DEVELOPMENT ASSOCIATION
EP	EASTERN PROVINCE
EPFC	EASTERN PROVINCE FARMERS' COOPERATIVE
FRA	FOOD RESERVE AGENCY
FSRP	FOOD SECURITY RESEARCH PROJECT III
FTF	FEED THE FUTURE
FTFMS	FEED THE FUTURE MONITORING SYSTEM
GMO	GENETICALLY MODIFIED ORGANISMS
ICRISAT	INTERNATIONAL CROPS RESEARCH INSTITUTE FOR THE SEMI-ARID TROPICS
MAL	MINISTRY OF AGRICULTURE AND LIVESTOCK
MFI	MICRO FINANCE INSTITUTION
MGCD	MINISTRY OF GENDER AND CHILD DEVELOPMENT
PMEP	PERFORMANCE MONITORING AND EVALUATION PLAN
QDS	QUALITY DECLARED SEED
SATH	SOUTH AFRICAN TRADE HUB
SCCI	SEED CONTROL AND CERTIFICATION INSTITUTE
USG	UNITED STATES GOVERNMENT
VC	VALUE CHAIN
ZAMACE	ZAMBIA AGRICULTURAL COMMODITY EXCHANGE
ZANACO	ZAMBIA NATIONAL COMMERCIAL BANK
ZARI	ZAMBIA AGRICULTURE RESEARCH INSTITUTE
ZNFU	ZAMBIA NATIONAL FARMERS UNION

**CONTENTS**

**INTRODUCTION** 1

**QUARTERLY REPORT AT A GLANCE** 2

**PROJECT IMPLEMENTATION** 5

**IR1: IMPROVED SMALLHOLDER PRODUCTIVITY** 5

**IR2: EXPANDED MARKETS AND TRADE** 11

**IR3: INCREASE PRIVATE SECTOR INVESTMENT IN AGRICULTURE** 15

**RELATED ACTIVITIES** 15

**ACCESS TO FINANCE** 21

**MONITORING AND EVALUATION** 22

**ENVIRONMENTAL COMPLIANCE** 25

**GENDER MAINSTREAMING** 27

**WORKSHOPS AND TRAININGS** 30

**OPERATIONS & PROJECT MANAGMENT** 32

**LESSONS LEARNED AND RECOMMENDATIONS** 34

## INTRODUCTION

The Production, Finance, and Improved Technology Plus (PROFIT+) is a United States Agency for International Development (USAID)/Zambia-funded project under Contract No. AID-623-I-10-00001 and Task Order No. AID-611-TO-12-00002. The Project will run for four years from June 25, 2012 through June 24, 2016.

The program will improve smallholder productivity, expand markets and trade, and increase private sector investment in agriculture-related activities. Comprised of three interrelated components, PROFIT+ seeks to: 1) Improve agricultural productivity; 2) Expand markets and trade; and 3) Increase private investment in agriculture-related activities.

This quarterly report covers the period January 1, 2013, through March 31, 2013. It focuses on the progress made on key activities undertaken in the quarter.

## **QUARTERLY REPORT AT A GLANCE**

### **1. IMPROVED SMALLHOLDER PRODUCTIVITY**

- 8 Field days conducted with 1,120 (573 female and 583 male) smallholder farmers attending by March 2013
- Horticulture demo plot strategy developed and identification of farmer business agents commenced in March 2013
- Commenced identification of 1,300 demo host farmers for 2013/14 season in March 2013

### **2. EXPANDED MARKETS AND TRADE**

- Developed post-harvest aggregation assessment strategy
- Conducted an assessment of 56 cooperatives in Eastern Province out of which 32 were selected for collaborative activities
- Conducted 4 training of trainers (TOTs) workshops for 133 trainers comprised of 30 Demo Host Farmers, 66 Cooperative members, 14 District Farmer's Associations and 28 District Women's Agriculture Development associations, in the mitigation of aflatoxin contamination through improved post-harvest handling and facilitated subsequent roll-out trainings for 15,046 participants from the four target districts in the Eastern province
- Market linkages established with Nutri-Feed, Jungle Beat, Mucha Investment Enterprises, CARGILL, Dunavant and others for groundnuts, soybeans and sunflower value chains
- The Terms of Reference for developing a strategic plan to streamline aggregation and increase smallholder access to end markets has been prepared and selection of a consulting firm is underway

### **3. INCREASED PRIVATE SECTOR INVESTMENT**

- MOUs have been developed or are in process with 11 private sector entities, 19 cooperatives, 20 agrodealers, 4 District Farmer Associations (DFA) and 3 District Women's Associations (DWAs)
- The Innovation, Investment & Partnership Fund (IIP) grants program was launched in March 2013
- The Annual Program Statement was developed and the initial call for concept notes was announced to enable local entities to access the PROFIT+ IIP Fund
- 19 concept notes were received and reviewed from the initial call and requests for proposals (RFPs) are pending from those concept notes which were selected through the evaluation process

### **4. ACCESS TO FINANCE**

- Blueprint and strategy developed for implementation of interventions to enhance and facilitate access to finance for smallholder farmers

- Partnerships developed with major private sector stakeholders such as Jungle Beat, Cargill and Dunavant for input cost sharing initiatives, and MOUs have been developed to support the groundnuts and soybeans value chains
- Partnerships were established with major banks and microfinance establishments, including innovations and interventions to be funded under the USAID Development Credit Authority (DCA)

## **5. GENDER MAINSTREAMING**

- Developed a strategy to ensure inclusion of women at all demo field days, Farmer Field Schools, Farmer Study Circles and marketing activities.
- Reached over 9,000 women through aflatoxin trainings, farmer field days, and trainings on gender equity at household level
- SILC strategy initiated with activities developed for next quarter, which will increase savings and investment among female smallholders
- Developed a strategy document to monitor gender mainstreaming at all levels of the Project activities using the Women's Empowerment in Agriculture Index (WEAI) tool
- Participated in International Women's Day activities
- Conducted courtesy calls on senior and paramount chiefs in Chipata, Lundazi and Petauke to formally introduce the Project.

## **6. ENVIRONMENTAL COMPLIANCE**

- Profit+ Environmental Review and Report (ERR) was approved
- Attended USAID Climate Smart Agriculture workshop
- PERSUAP assessment and draft report completed

## **7. MONITORING & EVALUATION**

- Project beneficiaries identified, and the Zone of Influence, which highlights areas for PROFIT+ interventions, was mapped in February.
- Initial PMP Indicators are under revision and to be submitted to USAID in April
- Data entry template, M&E field manual and questionnaire developed and awaiting field testing
- Baseline Survey sample frame, roadmap, and SOW for 600 households completed.
- RALs date reviewed and incorporated into baseline survey

## **8. OPERATIONS AND MANAGEMENT**

- 34 staff employed in Chipata and Lusaka by March 2013
- Project officially launched successfully in Eastern Province in March 2013

## DASHBOARD: PROJECT PROGRESS AGAINST TARGETS AND INDICATORS

No	Indicator Source	Indicator Name	Year 1 Targets	Quarter 1 result of Year 1 (Oct 2012-Dec 2013)	Quarter 2 result of Year 1 (Jan 2013-March 2013)	Accumulative to Date
6	FTF 4.5.2-14	Number of vulnerable households benefiting directly from USG assistance	0	0	15,046	15,046
7	FTF 4.5.2-13	Number of rural households benefiting directly from USG interventions (S)	0	0	15,046	15,046
9	FtF4.5.2-7	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	50,000	70	15,082	15,152
		<b>Producers</b>		70	15,046	15,046
		Male		36	6,293	6,293
		Female		34	8,753	8,753
		<b>People in private sector firms (agrodealers)</b>		0	18	18
		Male		0	10	10
		Female	0	0	8	8
10	FtF4.4.5.2-5	Number of farmers and others who have applied new technologies or management practices as a result of USG assistance <sup>1</sup>	0	20,000	3,349	3,349
11	PROFIT	Number of demonstration plots established	883	280	0	280
13	FtF 4.5.2-11	Number of food security private enterprises (for profit), producers organizations, water users associations, women's groups, trade and business associations, and community-based organizations (CBOs) receiving USG assistance	50	0	59	59

<sup>1</sup> The reported figures reflect the number of people who have been exposed to technologies promoted by the project through field days and follows on application of the

## PROJECT IMPLEMENTATION

### IR1: IMPROVED SMALLHOLDER PRODUCTIVITY

#### 1. Improved Productivity Enhancing Technologies

At the start of quarter three, the Project had established 70 demo sites which had a total of 280 demonstration plots spread out in Lundazi, Chipata, Petauke and Katete. The Project had also successfully introduced seven new production technologies at the demo plots as follows:

1. Conservation Agriculture Methods (minimum tillage)
2. Use of quality and certified seeds (certified hybrid seed)
3. Use of quality Crop Protection Products (CPP) in control of weeds, disease and pests
4. Use of blended fertilizers according to soil test results
5. Use of inoculants in legumes –soybean and groundnuts
6. Liming techniques
7. Planting technique

The demo plots have aroused a lot of interest in the communities, and the Project team has received many queries from surrounding farmers who are interested in adopting some of the technologies introduced at the demo plots such as lime and fertilizer application.

During the period under review, the Project built upon the demo plots with the following activities:

#### Demo Plot Monitoring

The Project embarked on a monitoring exercise of the 70 demo sites (280 demo plots) to:

- Ensure demo plots had been laid out as per specifications i.e. to effectively demonstrate the
- two different crop varieties (commercially vs traditionally grown);
- Monitor how the crop was fairing in terms of growth rate; and,
- Provide onsite support to Demo Host Farmers (DHF's).

#### Demo Plot Layouts

The monitoring teams found that some farmers had applied the correct technique of demarcating the plots to showcase the difference between commercial and traditional planting practices clearly while others struggled with management.



*(Left) Very well laid out demo plot in Lundazi district*

The Team was then able to rate the 70 sites and determine the interventions or support that were necessary for the plots to flourish as well as select which plots would be utilized for Farmer Field Days. The ratings were: Very Good (100 demo plots), that are well laid-out and managed; Good (160 plots), that are expected to improve with additional interventions; and, Fair (20 plots), that were planted late on highly degraded sandy soils, and showed yellowing of crops, sparse plant populations and damage caused by insects and snails.

## Way Forward

The Project will continue monitoring the compliance the DHFs and offer on-going support and guidance where necessary. The project will also apply the lessons learned on the first set of demo plots as it introduces new demo plots.

The Project will support awareness creation activities such as Farmer Field Days and Field Schools around the demo plots to increase farmer knowledge of improved technologies and practices.

## Farmer Field Days

The Project completed the planning and scheduling of Farmer Field Days (FFDs) in Eastern Province. The field days are a way for the Project to transfer knowledge to smallholder farmers at the community level.

The Project has partnered with various stakeholders such as Ministry of Agriculture and Livestock (MAL), Jungle Beat, Lundazi Agrodealers District Association (LADA), Chipata District Women's Association (CDWA), ZARI, Petauke District Women's Association (PDWA), Katete District Women's Association (KDWA) and Katete Agrodealers District Association (KADA), to carry out the field days.

By the end of the quarter, 1,120 farmers (537 females and 583 males) had attended the various field days held in the four districts as illustrated in below:



*(Above) DHF Mary Sakala in her soybeans demo plot*



*(Above) Farmer Field Day in Katete*

DATE	AREA	PARTNER	DHF	VILLAGE	MALE	FEMALE	TOTAL
26/3/13	Katete	DWA	Sonile Phiri	Chundamila	150	144	294
27/3/13	Katete	MAL	Siyobe Phiri	Kamphambe	67	45	112
26/3/13	Petauke	DWA	Faustina Tembo	Mtondo	36	64	100
28/3/13	Petauke	DWA	Alice Zulu	Ming	51	59	110
26/3/13	Lundazi	AD	Maritina Hara	Zumwanda	69	63	132
28/3/13	Lundazi	MAL	Mabvuto Nkhoma	Chijemu	63	46	109
27/3/13	Chipata	DWA	Tangu Nyirenda	Mphofu Village	98	58	156
28/3/13	Chipata	MAL	Malingose Mazyopa Nyirenda	Chitandika Center	49	58	107
<b>TOTALS</b>					<b>583</b>	<b>537</b>	<b>1120</b>

## Farmer Field Schools

During the period under review, the Project introduced Farmer Field Schools (FFS) at some of the most successful demo plots. Participants for the field schools were drawn from the Demo Host Farmers and other farmers within the community where the demos are situated.



The field schools gave the Project team an opportunity to receive feedback from the DHFs on crop vigor and growth, as well as the difference between the traditional crops and the ones where they had applied commercial treatments such as fertilizer on the maize, sunflower, groundnuts and soybeans.

*(Left) DHF Nelia Banda center at her field with some FFS members in Nyanje area – Katete.*

The Project will hold these field schools at least 3 times every quarter at each demo plot as a vehicle to enhance the transfer of new technologies and practices to the smallholder farmers in the communities around the demo plots.

## 2. Horticulture Demo Plots

The project began to implement its horticulture value chain strategy, which is designed to assist smallholder onion and tomato producers as well as emergent and semi-commercial producers. Under this strategy, and in collaboration with several private sector stakeholders, PROFIT+ is facilitating the establishment of two hundred (200) Community Seedling Production Plots and open field demonstration plots in the year one and more than eight hundred (800) plots over the Life of Project (LOP).

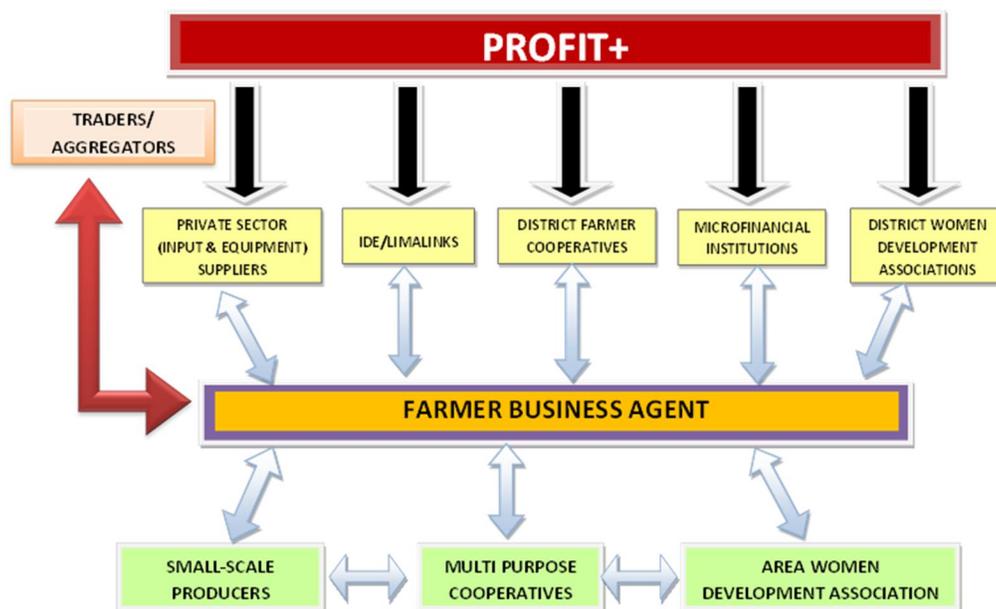
## Farmer Business Agent (FBA) Model IDE Link

One of the project partners, International Development Enterprise (IDE), is currently operating a farmer business agent (FBA) and has 120 FBAs throughout Kafue, Chongwe and Katuba in peri-urban Lusaka. The Project discussed the possibilities of using the FBA model to roll out Communi-

ty Seedling Production Demonstration Plots to make them more sustainable for smallholder producers by reducing cost of production. The Project learned that IDE currently.

It was agreed that the most effective way to implement the horticulture strategy would be to utilize the FBAs as PROFIT+ demonstration plot managers who would then provide services to farmers in the surrounding areas. IDE expressed interest in rolling out the model to EP, increasing its geographical coverage. IDE will assist in identifying FBAs in EP to build their capacity in the model.

The below diagram illustrates the FBA model and how it will work under PROFIT+:



## Geographic Mapping for Horticulture Activities

The first activity which the Project undertook to operationalize the horticulture strategy was a mapping exercise to determine viable locations for demo plots. The number of locations selected per district is as follows:

Province/Geographical Area	District	Number of Block and Camps	Total Demo Plots (2 for onions, 2 for tomatoes)
Eastern Province	Petauke	9	4 on each demo site
	Chipata	7	
	Lundazi	6	
	Katete	9	
Peri-Urban	Chibombo	5	
	Kafue	5	
	Chongwe	6	
	Rufunsa	3	
<b>TOTAL</b>		<b>50</b>	<b>200</b>

The demo sites will be comprised of fifty (50) seedling production demo sites for tomato and onion and another fifty (50) open field demo sites for each. Hybrid tomato and onion seed varieties will be grown in these sites, employing small-scale community nursery production system technology and agronomic practices such as growing onions by sets in the main fields. These technologies are currently considered too sophisticated for small-scale producers, but by building their capacity through trainings, the project believes it can greatly increase production at the smallholder level.

- Increased number of smallholders practicing good horticultural agronomic practices and using modern, high yielding hybrid tomato and onion varieties.
- Increased number of farmers using effective water management and irrigation technologies.
- Increased number of smallholders practicing safe use of CPP and using protective clothing.
- Increased number of private investment in the horticulture value chain.
- Increased number of formed and strengthened producer associations
- Increased number of women’s organizations assisted as a result of the USG-funded activities.

### Community Seedling Production Demonstration Plots (CSPDP)

The Project began establishing 100 Community Seedling Production Plots for onions and tomatoes in selected areas in March 2013. The seedling production plots will show-case improved technologies, which are expected to promote increased yields once the seedlings are transplanted into open fields. The project has identified a number of partners who will assist in rolling out the Community Seedling Production Demonstration Plots.

Inputs for onions and tomatoes are expensive for small farmers compared to other crops but are essential to improving production volumes and quality. The project’s most active partner, Hygrotech Zambia, is an agricultural inputs and equipment company whose core business is the sale of seeds, adjuvants, buffers and foliar fertilizers. The Project will sign an MOU with Hygrotech next quarter and anticipates supporting their efforts to establish seedling plots to exhibit improved production techniques and attract farmers’ investment in these new technologies.

The Project has identified other companies/stakeholders who will also be engaged in the CSPDPs through the provision other inputs and appropriate technologies as follows:

#### Other Stakeholders

	Name of Stakeholder	Role
1	ASNAPP	Technology transfer, technical backstopping
2	Agrifocus	Technology transfer, technical backstopping and equipment
3	IDE	Technology transfer
4	Ministry of Agriculture and Livestock	Technology transfer and technical backstopping
5	Farmer Associations, Cooperatives, Women groups	Implementer
6	Lead Farmers	Implementer
7	Community Agrodealers	Implementer
8	Amiran	Technology transfer and technical backstopping

## **Horticulture Open-Field Demo Plots**

Following the CSPDPs, the Project is planning to establish open-field demo plots. These sites will build upon the seedling demonstrations and introduce additional topics such as efficient water management and irrigation technologies and the small-scale safe use and handling of Crop Protection Products. The Project will work with over 7000 targeted beneficiaries through these open-field demonstrations.

### **3. Increase Smallholder Access to Improved Seed**

#### **Basic Seed Multiplication**

Previously the Project successfully facilitated a progressive and mutually beneficial partnership between the Eastern Province Farmers' Cooperative (EPFC) and the Seed Control and Certification Institute (SCCI). This partnership has enabled EPFC to conduct its seed multiplication and supply activities in a more viable and sustainable manner during this period. In collaboration, EPFC and SCCI have embarked on a series of seed multiplication inspection exercises in Chipata and Katete, and PROFIT+ contributed transportation and other logistical support.

These inspections are helping to ensure that groundnut seed multiplication is done according to SCCI standards and that the seed, which was distributed to farmers in the previous quarter, was planted in Chipata and Katete as intended.

#### **Groundnut Seed Stakeholders**

There is a lack of certified groundnut seed of the appropriate varieties and continuing use of recycled seed by most of the smallholder growers of groundnuts which results in very low yields. A part of the problem is that most of the commercial seed companies are not interested in multiplying basic seed to produce certified groundnut seed due to the low multiplication ratio of ten to one which is very low compared to other crops such as maize, making the profitability of this activity much lower. It is difficult to monitor smallholder seed producers, which is a requirement for seed certification there is a lack of strategic planning, coordination, collaboration and partnership among the various stakeholders.

PROFIT+ has taken a leading role in facilitating dialogue and strategic planning among those entities that are critical stakeholders such as ZAMSEED, MSEKERA, ICRISAT, SCCI and EPFC. To this end, the Project will be facilitating a stakeholder's meeting within the next quarter aimed at agreeing on a roadmap and gaining commitments from the various stakeholders.

### **4. Improved Agro-Dealer Networks**

The Project will be conducting an assessment of training needs for agro-dealers in the four Eastern Province target areas. Four to five qualified trainers based in the target districts will be identified and will be engaged as service providers/short-term consultants for training the agro-dealers.

After the assessment, PROFIT+ will facilitate training workshops for the agro-dealers next quarter.

The Project has also recognized the important role that cooperatives play in input supply and procurement of crop produce. PROFIT+ therefore aims to increase the capacity of cooperatives to be suppliers of high quality inputs for their members and those smallholder farmers who are in close proximity to the cooperative.

## **IR2: EXPANDED MARKETS AND TRADE**

### **End Market-Oriented Strategy**

The team developed a strategy document for marketing and market linkages for the value chains which brings out strategies of how the Project's expanded markets and trade component will be implemented.

Building upon the recommendation of the initial Value Chain Assessment, the market development team is working closely with the project's Agricultural Finance Specialist to identify partners in key end markets for the PROFIT+ value chains. By engaging with these actors, the project will identify specific challenges related to quantity, quality and logistics for the buyers and design interventions that address and disseminate these lessons to marketing cooperatives and farmer groups.

1. The project continues to identify the major traders, buyers and processors in each value chain and engage them to understand their business/trading model, requirements and expectations, and what will incentivize them to engage with smallholders in a mutually beneficial manner.
2. The project has begun to identify mid-level actors such as aggregators, community-based traders and buyers in secondary markets and the opportunities that exist for them to work with smallholders.

### **Marketing Partnerships & Stakeholders**

#### **1. Soybeans and Maize Market Linkages with Nutri-Feed**

Nutri-Feed is a feed formulation business unit of Ross Breeders which procures soybeans and maize from traders. The company is very receptive and willing to purchase as much maize and soybeans from the farmers in EP. The company stated that its preference is to procure produce directly from cooperatives, so that the sales benefit small farmers and motivate increased production.

The Project has to build the capacity of the cooperatives to meet this demand, bulk and transport larger volumes to Lusaka since Nutri-Feed will only purchase at CIF Lusaka prices. PROFIT+ is actively pursuing this market opportunity and is currently compiling the production figures from the cooperatives to ascertain their ability to meet the demand.

## 2. Sunflower Out-Grower Scheme with Mucha Investment Enterprises

Mucha Investment Enterprises is a private Zambian company that is involved in sunflower out-grower schemes in Southern, Central and Eastern Provinces. In EP, they are operating a pilot out-grower scheme that they started last season in Sinda, Petauke district. Additionally, Mucha is involved in processing of cooking oil that it sells to the Zambian market including the supermarket chains from South Africa such as Shoprite and Pick-n-Pay.

The Project is in the process of fostering backward linkages for Mucha to Katete and Chipata DWA, and Petauke DFA that are involved in processing sunflower cooking oil. It is anticipated that Mucha will purchase cooking oil in bulk and then further refine and package it for high-end retail markets.

PROFIT+ will be collaborating with Mucha to provide capacity development services to the three cottage industries for product development. We anticipate that these cottage industries can eventually sell to commercial markets like Pick-n-Pay.

The project will initially work with Mucha by collecting cooking oil samples for analysis from the



*(Above) Mary Sakala PROFIT+ DHF showing her healthy sunflower crop in her demo plot in Katete*

Katete DWA which is currently running a cottage industry of oil extraction from sunflower. In order to maximize resources and efficiency for this unit of the Katete DWA, the project advised the Katete DWA to register its business unit as a separate entity from the association and manage it as a business entity with a dedicated manager with business experience. The manager would report to the KDWA board of directors. The Association is in the process of registering its business with Patents and Companies Registration Agency (PACRA) and have begun the process of hiring a full-time business.

## MARKET LINKAGES AND STORAGE INTERVENTIONS WITH WORLD FOOD PROGRAM (WFP)

The Project established linkages with the World Food Program (WFP) to discuss a number of potential joint initiatives that focus on market access, storage and warehousing, community asset creation and community-based processing of high nutrient food stuffs.

## **Market Access**

The team learned that WFP is looking to adopt a community-based supply line for its “school feeding” program across the country. This new method of getting food into the schools is called “Home Based School Feeding” and aims to source the food supplied to schools as close as possible to the schools. Once this concept is actualized, the Project will be able to foster market specific production for a guaranteed constant market.

PROFIT+ and WFP are also considering establishing cowpea production groups (with cowpeas to be used as the rotation crop for maize). This will not only help farmers restore soil nutrients for the upcoming maize farming seasons but also provide an alternative dry weather crop and income source.

### **Building Storage Capacity:**

The “Home Based School Feeding Program” will require community-based storage and this represents an excellent opportunity for the Project to try and get its producer groups to upscale their current storage facilities or for those strategically located close to the schools, to develop acceptable basic storage facilities. WFP working with PROFIT+’s market development team will be undertaking a preliminary feasibility study for Katete and Petauke in the second week of April 2013. The feasibility study will enable the Project to develop interventions and activities that enhance post-harvest handling and storage techniques for the smallholders.

### **Value Addition and Processing:**

In conjunction with Cargill, WFP intends to set up high nutrient food processing plants in each district. This activity may provide an opportunity for either well organized producer groups or small and medium-sized enterprises to operate such a facility under the auspices of WFP and Cargill. PROFIT+ envisions facilitating such group/entrepreneurs with the support required to set up these plants through the Project’s IIP Fund.

### **Community Asset Creation:**

WFP and PROFIT+ agreed that there may be a need to use the “Food/Cash/Assets for Work” model to construct or rehabilitate both storage and road infrastructure within production community locales. The two parties will work out modalities of operationalizing this concept on a cost-share basis.

## **RURAL ENTERPRISES AND COOPERATIVE DEVELOPMENT**

The Project embarked on a cooperative assessment exercise which culminated in the identification of 32 progressive and established cooperatives that PROFIT+ will collaborate with, in the Project’s 4 target districts in EP.

The assessments commenced on Monday, February 04, 2013 through to Thursday, February 14, 2013. The Project sent two teams to cover two districts each i.e one team covered Petauke and Katete, while the other team covered cooperatives in Chipata and Lundazi.

**(Right) Discussion with cooperative members during an assessment at Kazingwe cooperative in Lundazi, near Malawi. The area produces sun-flower, soybeans, groundnuts, tomatoes and onions. Kazingwe cooperative owns a storage shed, hammer mill, oil expeller and a machine which makes soy milk.**



The aim of the exercise was to select eight progressive cooperatives in each of the 4 EP districts that the project would initially work with in Year 1. The criteria for selection of the 8 cooperatives were:

- Cooperatives that are involved in the thematic areas that PROFIT+ is working in;
- The membership size;
- Gender balance in the cooperative membership and management;
- Innovativeness of the activities that the cooperatives are involved in; and,
- Proximity to the Project's zone of influence.

Table outlining number of cooperatives and respondents reached during the assessments:

Number of Cooperatives Assessed	Number of Shortlisted Cooperatives	Number of Women who Participated	Number of Men who Participated	Total Number of Respondents
56	32	348	462	810

**Initial findings from the assessments were:**

1. All the cooperatives assessed were officially registered under the Zambian law of cooperatives and have registration certificates; they have bank accounts with registered commercial banks and their accounts are active.
2. They have functioning executive boards whose membership includes women and hold Annual General Meetings (AGMs).
3. Record keeping, financial and business skills are generally poor and they are not aware of Micro-finance Institutions (MFIs) that could help them financially.
4. They are involved in some agricultural activities, mainly growing maize as a cooperative and, in a few cases, groundnuts and soybeans; they need capacity building in terms of available agronomic improved technologies.
5. Most of the cooperatives have storage facilities (sheds) which can store 300 to 2,000 X 50kg bags. This is a strong point for Lundazi cooperatives.

6. In terms of horticulture, cooperative members are involved in onion and tomato production but tomatoes and onions are mainly sold locally within the villages and on the roadsides.
7. In addition, the cooperatives have their own fields, ranging from one hectare to three hectares, where they grow groundnuts, sunflower and soybeans.
8. Some cooperatives have oil expellers, hammer mills and machines which make soy milk.

## Way Forward

After the assessment, the Project selected 32 cooperatives which were shortlisted for collaboration on PROFIT+ activities. The Project identified the immediate challenges being faced by these cooperatives and formulated a strategy to address those challenges with innovative initiatives.

Particular emphasis will be placed on building the capacity of the cooperatives through skills-building and awareness initiatives as illustrated in Annex 2:

## Aggregation and Processing

Currently the end-market buyers need more commodities but have challenges sourcing consistent volumes from smallholders efficiently. The smallholder farmers have commodities but cannot access the markets because existing aggregation networks are not reaching them.

During the cooperative assessment, community and district level aggregators were identified. The Project will engage with these aggregators next quarter in an effort to organize functional aggregation points in the community using the identified cooperatives as the primary aggregation points or aggregators. The Project shall also engage secondary aggregators, such as Zdenakie, to create linkages with district aggregators.

Further assessments are planned that will support a strategic aggregation plan to encourage an expanded smallholder commodity-supply base and increased aggregation efficiencies. The Project originally designed this study based on requests from several end-market buyers seeking recommendations as to how to reduce aggregation costs and streamline the aggregation process. During this quarter, the assessment evolved into a set of activities that would respond to a broader range of problems and opportunities. In some instances, some cooperatives may need to rehabilitate their storage infrastructure and the Project will consider funding these strategies through the IIP Fund.

## **IR3: INCREASE PRIVATE SECTOR INVESTMENT IN AGRICULTURE RELATED ACTIVITIES**

PROFIT+ will catalyze \$50 million in private sector investment in agricultural activities in its target districts, by the end of the project. To this end, the Project is partnering and establishing collaborative agreements with various stakeholders across the value chains. The Project held numerous meetings and discussions with stakeholders to explore collaborative agreements in the areas of:

- Provision and distribution of inputs to farmers;
- Multiplication of basic seed, seed certification and training of seed inspectors;

- Quality control of inputs and products, increasing production, training in production technologies (including conservation agriculture) and extension delivery through demonstration plots;
- Provision of advisory services in trade;
- Market development through processing and market information and linkages;
- Aggregation and provision of market opportunities and warehousing facilities; and,
- Organizational strengthening.

## **I. ENGAGEMENT OF STAKEHOLDERS & PRIVATE SECTOR INVESTORS**

During the period under review the Project identified various potential private sector partners and also held follow-up meetings/discussions with partners and stakeholders identified in previous months. Notable partnerships are as follows:

### **Kasisi Agricultural Training Centre (Horticulture)**

The Horticulture Value Chain Advisor met with Mr. Robson Nyirenda, the training coordinator at Kasisi Agricultural Training Centre (KATC) in Chongwe District. KATC is an agricultural training Centre, which is specifically designed for small-scale farmers in Chongwe and in its surroundings. It is a renowned training institution offering tailor-made practical trainings in sustainable agriculture including: conservation agriculture, Integrated Pest Management (IPM), organic vegetable production and agro-forestry. It also offers extension methodology trainings in the Farmer Field School (FFS) and Study Circle (SC) methodologies.

Apart from offering training, the Center also has agricultural projects in organic vegetable production, agro-forestry and conservation farming with a total of 1,500 beneficiaries.

**The meetings' objectives were to enable the Project to:**

- obtain an in-depth understanding of the courses offered at the institution and the kinds of projects they are undertaking with the community;
- find out the cost of training per participant and the duration of each training session; and,
- vet for possibilities of collaborating with PROFIT+.

#### **Action Points**

- PROFIT+ to provide a brief on its objectives;
- The KATC training coordinator to introduce PROFIT+ to management and arrange for a meeting with them for further discussions on possible collaboration.

### **Meeting with Crown Agents and Medical Stores Limited (MSL)**

The Project held a joint meeting with Crown Agents and Medical Stores Limited to explore the possibility of linking PROFIT+'s value chain actors to transport and storage facilities. A central theme of the meeting was discussing the practicality of PROFIT+ targeted beneficiaries being able to utilize the storage facilities that MSL intends to set up in one of the Project's catchment areas as well as

to connect farmers and agrodealers to MSL's transportation facilities which can be used to transport produce from Eastern Province into Lusaka at a concessional price as back load cargo.

Crown Agents was tasked with leading the discussions and facilitating the partnership on these two matters. The Project also requested Crown Agents to provide a list of any reports/results from any studies or surveys they have conducted in the recent past on issues affecting PROFIT+'s areas of interest.

## **Lifecycle Development Assistance (LDA)**

Lifecycle Development Assistance (LDA) is a Zambian multi-sectoral non-profit organization with operations in Eastern Province. The project met the LDA management with the purpose of keeping each party updated on the current state of activities as well as initiate detailed discussions on intervention cooperation.

In the future, LDA is looking to relocate a soy processing mill from Lusaka into EP to consolidate its activities and to provide stimulus for the soybean industry.

### **The major outcomes of the meeting were:**

That LDA and PROFIT+ would work on a farmer mapping exercise to determine if we could partner with them on a soybean out-grower scheme. LDA will provide the Project with the specific geographic location of farmers they have identified and what the cost structure of the scheme looks like to enable PROFIT+ determine how it can achieve its outreach initiatives through their program.

## **Lake Links Meeting (Horticulture)**

The Project found that many rural villages in the country produce perishable food products but do not have electricity for refrigeration. They also have difficulty marketing their products, resulting in loss of food, income and jobs. However, many of these villages have abundant solar energy, which, if harnessed, could provide the needed refrigeration service, help improve food security and increase incomes.



*Ice from a solar ice making refrigerator*

To this end, the Project held meetings with Mr. Ross Ferguson, the director for Lake Links, a manufacturing company that is working to introduce solar ice making technology. Lake Link is interested in rolling out this innovation among the small-scale producers in Zambia and has already had discussions with Musika for the technology to be introduced in the dairy sector. Ferguson further explained that the company is willing to implement the technology in Zambia as the country is strategically positioned as a hub for southern Africa. The technology was used in Kenya in collaboration with Heifer International as a means of preserving the milk from going sour.

## **Action Points**

- Lake Links to provide more information on whether the Solar Energy Concept Company has small-scale community cold storage rooms.
- The two parties will have follow-on meetings/discussions to map out a collaborative partnership which will address cold storage challenges being faced by smallholder horticulture producers.

## **CARGILL**

Cargill is a cotton, grain and oil seed origination and trading company. The Project engaged Cargill during the quarter under review, to explore possible areas of collaboration given Cargill's extensive scope of operation in the region and their activities (current and planned) in some of the Project's value chain commodities.

### **Outcomes and Action Points**

#### **a. Extension services**

The Project will leverage Cargill's extension services and Farmer Field Schools that it uses to provide training to farmers.

- Cargill is willing to partner with PROFIT+ to engage maize and soybean farmers for the formation of such schools in the respective value chains.
- Cargill is prepared to cover 50% of the cost of running these schools in the form of inputs for the demo plots on condition that the Project provides 50% for logistical support.
- Cargill will provide the Project with the actual geographic locations of the schools so we can identify communities within our areas of operation. The Project will then need to agree with Cargill on what sort of training would be delivered to the farming groups and address other scheduling and logistical issues.

### **Increased Production through new irrigation technologies**

The Project can leverage Cargill's innovative water transportation technology called a "Water Roller" which enables more efficient transportation of water to farmer fields. This would reduce labor hardships and increase productivity for women and children who are largely responsible for irrigation. The technology also enables farmers to spray and irrigate their fields in the prescribed manner as sufficient water is easily accessible (very important for horticulture crops).

### **Production and Marketing:**

Cargill is prepared to extend its buying scheme for cotton to soybean and maize. Currently, farmers are asked to sign contracts with Cargill and these are usually associated with membership to its production schools. The Project can take advantage of the schools to impart knowledge on enhanced

maize production so that farmers can free up space on their farms to facilitate production of alternative high value cash crops as well as provide a ready market for both maize and soybean.

The Project can also leverage community depots, aggregation points managed by Cargill. These depots also serve as distribution points for inputs. PROFIT+ may have to revise the aggregation model for Soy and Maize after conducting an assessment of farmer location vis-a-vis Cargill depots.

## 1. INNOVATION, INVESTMENT AND PARTNERSHIP FUND (IIP FUND)

PROFIT+ launched the Innovation, Investment and Partnership Fund (IIP Fund) during the quarter under review. The investment fund provides a risk-sharing platform for the introduction of innovative concepts and investments in the agricultural sector. While the IIP Fund is designed as an investment fund, the returns being sought will be derived from the contributions that the supported concepts and activities, will make towards the achievement of the project's objectives.

PROFIT+ will vary the process for different applicant groups and service providers based on their implementation and management capacity. The Project will utilize a competitive and transparent process to select local implementing partners.

In line with the above, the following activities were conducted under the Grants Program:

### Annual Program Statement

The IIP Fund process will be guided by the Project's Annual Program Statement (APS) whose purpose is to solicit proposals from prospective grantees for implementing activities under the PROFIT+ project, focused on promoting growth of the six selected commodities: groundnuts, soybeans, sunflower, horticulture (tomatoes and onions) and maize. A proposed project will address a range of issues, including but not limited to improving access to finance and other services (storage, extension, improved inputs, mechanization, and new technologies) for smallholder farmers and value chain participants, and the strengthening of current, and provisioning of new, markets and marketing opportunities. The APS was developed and released in February 2013.

### Call for Concept Notes

Using public media and online advertisements, the Project published a call for concept notes, 2-3 pages in length, which propose innovative concepts/activities for possible funding under the IIP fund.



**(Above) P+ Grants Manager conducting grant system orientation with farmers at a TOT training in Chipata**

The proposed concepts and activities are expected to cover a broad range of areas within the Project's objectives such as:

- strengthening agricultural production and marketing systems;
- introducing and developing new or improved technologies, products and services that enhance value chain competitiveness and value-addition, and that benefit the value chain stakeholders, especially the smallholder farmer;
- introducing innovative financial products and ICT technologies that increase access to finance, and other services throughout the target value chains;
- strengthening private sector associations, facilitating stakeholder collaboration and building the capacity of cooperatives and unions; and
- strengthening women's livelihoods through targeted inclusion in all of the selected value chains.

The call for concept notes will be run on a quarterly basis and the TOR can be modified to reflect any strategic changes in program activities..

In the initial round, 19 concept notes were received which will undergo a technical review, after which the most competitive applicants will be requested to submit detailed applications for grant funding.

## **Types of Grants**

Once concept notes are reviewed and proposals received, the Project will then determine what type of grant to disburse to the applicants dependent on their proposed activities. The majority of grants will be fixed obligation grants (FOGs), where payment is made upon achievement of milestones, in-kind grants where the project procures and donates goods or services to the recipient, or a combination.

## **Grants Disbursed to-date**

### **Demo Host Farmers (DHF)**

- The Project provided 70 in-kind grants to DHFs who received inputs, seed and demonstration signs from the Project.

### **Training to Reduce Aflatoxin Contamination through Improved Post-Harvest Handling**

- The Project disbursed 42 FOGs to cooperatives and farmer groups in EP for the purpose of building their memberships' capacity in aflatoxin management, pre and post handling techniques. The groups provided trainers who were trained by the project and, in turn, conducted trainings for farmers in their districts. The groups were responsible for managing the trainings and reporting on participation using PROFIT+ M&E tools.
- The Project provided in-kind grants to 30 DHFs to host trainings in post-harvest aflatoxin management.

## ACCESS TO FINANCE

The agricultural finance personnel conducted various activities in an effort to enhance and facilitate access to credit for inputs, equipment and other agricultural requirements for smallholder farmers. The following potential partnerships were explored:

### LIMA Scheme and DCA Fund Interventions with ZANACO

The Project team met with the AgriBusiness team at Zambia National Commercial Bank (ZANACO) to introduce the project and learn more about its Lima product, an agricultural line of credit offered by ZANACO for smallholder farmers. The product, managed by the Zambia National Farmers' Union (ZNFU), provides farmers with access to credit for inputs and equipment. Currently, only members of cooperatives or farmer groups associated with ZNFU can access this facility.

In collaboration with Brian Martalus from USAID Zambia, the Project discussed the DCA fund and its mechanics with ZANACO to explore possible partnerships and synergies with the Lima scheme.

The parties agreed to share data on the cooperatives the PROFIT+ is initially seeking to link to a DCA-supported loan pilot. ZANACO agreed to share its “Financially Fit” business skills development curriculum for possible adoption by PROFIT+ as well as its loan underwriting criteria to enable the Project determine how to position its beneficiaries to benefit from ZANACO’s product offerings other than the Lima Scheme.

### OUT-GROWER SCHEME INITIATIVE WITH DUNAVANT

Dunavant is looking to extend its commodity trading activity to soybeans and maize. Under the Southern Africa Trade Hub (SATHUB) initiative, they are looking to set up an out grower scheme with over 100,000 farmers to grow soy and maize.

Dunavant has committed to sharing its farmer enrollment database as well as the budget for providing farmers with an input package. The Project is exploring input financing other than seed, as well as facilitating linkages for PROFIT+'s target producer groups to Dunavant for incorporation into the out-grower scheme.

Dunavant is sourcing soybeans and maize for the current crop season and has requested that we link them up to our producer groups. Desired tonnage is over 60,000 and 80,000 tones per commodity respectively.



*(Right) DHF Alice Zulu in her soybeans demo plot in Petauke district*

## **Enhanced Extension Services for Camp and Block Extension Services**

In its continued efforts to improve and expand extension services to smallholder farmers, PROFIT+ established contact with the Lundazi District Agricultural Coordinator (DACO) to introduce the concept of using Block Extension Officers (BEOs) and Camp Extension Officers (CEOs) as trainers in basic cooperative management skills. This training curriculum will include generic record keeping, financial record keeping, stock management, business proposal writing and marketing skills.

These trainings will be a pre cursor to the more detailed BDS services to be provided through separate interventions in conjunction with the SILC program and development of farmer groups into either community-based traders or agrodealers' commodity processors.

PROFIT+ and the DACO office agreed to share details on the proposed curriculum and work out a roll out schedule for April and May. The target is a minimum of 12 cooperatives and about 1,400 farmers. Depending on the outcome of the first series of trainings, the program will be extended to the remaining three districts and incorporated into a producer group recruitment exercise.

## **MONITORING AND EVALUATION**

### **Performance Monitoring and Evaluation Plan and Results framework**

With the participation of technical staff, Regional and Head office, Kimetrica and the PROFIT + M&E unit, the results framework and Performance Monitoring and Evaluation Plan were reviewed and refined. In addition the indicator tracking table which presents details of the disaggregation has been developed to help track project data on a quarterly basis.

### **Development and Review of the Monitoring and Evaluation tools**

The Monitoring and Evaluation team has continued to review the Monitoring and Evaluation tools. The following tools have been revised and applied in the field are the Demonstration plots data collection form, demonstration participant's data collection forms and the events/training data collection forms. The Partners basic data collection form and the Performance data collection forms are yet to be applied because the project is still in the processing of developing MOUs with the strategic partners.

### **Community Mapping Exercise**

The Project completed the community mapping and established its Zone of Influence as well as the potential beneficiary listing. The activity involved meetings with Senior Agricultural Officers (SAOs), Crops Officers, Block Extension Officers (BEOs) and Camp Extension Officers (CEOs) and resulted in the Project being able to compile lists and information which enabled it to establish the zone of influence for each district.

During the mapping exercise, the following data was analyzed and compiled:

- List of potential beneficiaries which will form part of the baseline sample frame.
- The list of institutions that are possible collaborators on various value chains
- The list of camps and blocks in the PROFIT + Zone of Influence highlighting highest productive areas by selected value chains.

Total Number of Attendees at the Community Data Collection Workshops in Eastern Province and Peri-urban Lusaka			
District	Male	Female	Total
Chipata	32	7	39
Katete	19	8	27
Petauke	20	5	25
Lundazi	21	0	21
Kafue	2	7	9
Chibombo	2	5	7
Chongwe	8	23	31
<b>Grand Total</b>	<b>104</b>	<b>55</b>	<b>159</b>

The lists also include district level information on the cooperatives, women groups, information centers, transporters, aggregators, marketing and processing stakeholders and interest groups as well as information on value chains grown in each agricultural camp

Below is a snap shot/example of the community mapping and Zone of Influence database illustrating the level of data compiled:

District	Block Name	Camp Name	Presence of other USAID Projects	Constituency	Ward	Chiefdom	Value Chains					
							Maize	Groundnuts	Soybeans	Sunflower	Tomatoes	Onions
Petauke	Nyika	Kawele	CASH	Petauke Central	Mbala	Kalindawalo	All Zones	Zone 3,4,5	Zone 2	Zone 3,4	Zone 2	Zone 2
Petauke	Ongolwe	Minga		Petauke Central	Msumbazi	Mumbi	Zone 8,1,2,7	Zone 1,2,8	Zone 1,2	Zone 7,3	Zone 1,5	Zone 1
Chongwe	Chongwe	Kanankatapa		Chongwe	Kanankatapa	Bundabunda	All zones	All zones	Zone 3	Zone 1,5	Zone 3,4,2 R4	Zone 3,4,2 R1
Runfunsu	Bundabunda	Nyangwena		Rufunsa	Nyangwena	Bundabunda	All zones	All zones	Zone 1,2,3,4,7,8	Zone 1,2,8	Zone 1,4,5,7 R2	Zone 1,5,6,7
Katete	Western	Chimunsi		Sinda	Nyamasonkho	Kawaza	All Zone	All Zones	All Zones	All Zones	Zone 2,1,3&7	Zone 2,1,3&7

The mapping and listing exercise outlined above will serve as the basis for selecting smallholder farmers (i.e. beneficiaries) and also delineate the zones of influence and define the camps and households as they are prioritized for implementation.

### Other Deliverables from the Community Mapping Exercise:

- Farmers and cooperative registers compiled; Cooperative capacity assessment tool developed to identify 8 best performing cooperatives per camp or block;
- Identification of demo plot sites for horticulture crops and participants for a Training of Trainers workshop for horticulture seedling nursery establishments.



(Above) Community mapping workshop in Chipata district

## **Kimetrica Information Management System**

PROFIT+ has deployed the Information Management System (Ki-metrics database), a cloud-based system that will provide updates and track the program indicators against targets. The Project conducted a comprehensive orientation of the system for local M&E staff which resulted in a customization of the monitoring and evaluation data-entry tools. The database will support the Feed the Future Monitoring system and the microenterprise results reporting which were updated during the period under review.

## **USAID DevRESULTS Information Management System**

The Kimetrics database will also support the DevRESULTS which is an Information Management System that USAID Zambia intends to deploy to all the partners. The system has the capacity to generate reports and track progress. In addition the system:

- Captures GIS/GPS coordinates;
- Customizes reports like the portfolio report;
- Shows geographic scope of individual indicators, finance data, success stories; and,

The system can further provide historical performance data for all the indicators, updates on the Zone of Influence, and disaggregated data, all of which can be downloaded to allow staff to work offline. The Performance Monitoring Plan and the Results framework can also be included in the system.

## **Baseline Design**

### **Assessment to determine the road map for the baseline survey**

PROFIT + and Kimetrica undertook a quick assessment and review of processes required for fielding a baseline survey. In the process discussions were held with Rural net, IAPRI, USAID and ZIPAR. The following were the outcomes and resolutions from the meetings

- The baseline should be beneficiary focused and as such a sample of 600 households should be sufficient to provide adequate estimates to compute yields for the value chains of interest.
- The mapping and listing exercise undertaken by PROFIT+ will serve as the basis for selecting smallholder farmers (i.e. beneficiaries) for the baseline surveys.

## **Baseline Scope of Work and Budget**

Kimetrica has been contracted to undertake the baseline survey for PROFIT+, in lieu of an endline survey, to capture indicator not previously surveyed under the USAID Feedback baseline. The M&E team, with support from ACIDI/VOCA headquarters, worked with Kimetrica to streamline the scope of work and define each party's responsibilities. An implementation strategy has been de-

veloped which included a timeline of activities. The amended Scope of Work for Kimetrica required renegotiating Kimetrica's budget and the increased budget was approved by USAID this quarter.

## **Review of the RALs Data**

During the period under review, the M&E team also reviewed the RALs data and the Rural Agriculture Livelihood report which helped in constructing of baseline questionnaire. Other outputs from the review were:

- i. Computed baseline indicators and establish the gaps that formed part of the questionnaire development.
- ii. Computed confidence intervals at the 95% level for these indicators
- iii. Sampling methodology was reviewed and a sub group of smallholder households was identified

## **Baseline Implementation**

Preliminary steps were taken to prepare for the baseline survey. The Project developed a household and institutional baseline questionnaire which is ready for field testing and drafted a baseline field manual. The M&E team developed a data entry template which will be used to enter baseline data into Ki-metrics. The tool will be tested in the field in April. In addition, the local implementer, RuralNet, has been oriented in Ki-metrics in preparation for the baseline survey.

## **ENVIRONMENTAL COMPLIANCE**

The Project received full approval for the Environmental Review Report (ERR) which also contains the Environmental Mitigation and Monitoring Plan (EMMP). This means that PROFIT+ activities and those of its sub grantees now have to fully comply with environmental requirements established in the agreement.

All partners or stakeholders responsible for implementing activities in PROFIT+ will have to be notified of mitigation measures and monitoring that is required as a part of the environmental sustainability and compliance. In addition, best practices will have to be followed in implementing project activities to ensure that no significant harm to the environment will occur.

## **ENVIRONMENTAL COMPLIANCE PROCEDURES**

The Project has outlined the environmental considerations at each stage of project activity implementation which are:

- Design and Implementation stages (Identification of the potential environmental negative impacts associated with the activity at each of the various levels of implementation)
- Training of target beneficiaries in the technical aspects of the activity and the related environmental training –
- It is anticipated that an EMMP will be developed after each training for each community with responsibilities for monitoring clearly spelled out and agreed upon.

- Disseminating of the EMMP to the community and relevant stakeholders
- Reporting semi-annually using the EMMP format
- Reporting annually to the Mission via the Environmental Status Report

## **USAID WORKSHOP ON CLIMATE-SMART AGRICULTURE**

During the quarter under review, the project Environmental Compliance Specialist and the Horticulture Value Chain Leader attended a partners meeting organized by the Economic Growth Office of the USAID Zambia mission. The workshop presented an opportunity for Implementing Partners in the FTF program to share specific activities relating to climate-smart agriculture.

It was learnt that Zambia is one of the countries piloting the United Nations Collaborative initiative on Reducing Emissions from Deforestation and Forest Degradation (UN REDD). The current annual deforestation rate in Zambia is estimated at 250,000 to 300,000 hectares per year and places Zambia fourth worst case globally. As part of the Global Climate Change Initiative, USAID Zambia is assisting in the development and implementation of a national strategy to reduce greenhouse gas emissions from deforestation and forest degradation. USAID/Zambia Climate Change activities will strengthen the overall Zambia UN-REDD initiative.

In recognition of the challenges posed to agriculture by climate change, the presentations at the workshop, including that from PROFIT+ all emphasized climate smart agriculture such as:

1. Promoting technologies to mitigate and adapt to Climate Change
2. Enhancing markets
3. Strengthening technology generation to enhance resilience
4. Improving training, information sharing, networks and communication with emphasis on farmer extension
5. Increasing efforts for resource mobilization

## **PESICIDE EVALUATION REPORT AND SAFER USE ACTION PLAN(PERSUAP)**

Due to risks presented by pesticides, USAID environmental regulations require that at least the 12 factors outlined in the Pesticide Procedures described in 22 CFR 216.3 (b)(1)(i) (a through l) be addressed in the environmental assessment for any program that includes assistance for the procurement or use of pesticides.

In this regard PROFIT+ contracted an external consultant who was in country over a two-week period to compile field data for the preparation of the Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP). The consultant met with PROFIT+ staff as well as other USAID projects such as CASH and SPLASH in an effort to collect detailed information on the pesticides, inputs and other substances which the projects utilize which may be harmful to the environment.

The draft PERSUAP is expected within the month of April.

## GENDER MAINSTREAMING

### Women's Involvement in PROFIT+ ACTIVITIES

PROFIT+ intensified its efforts to ensure the involvement of women in all levels of program implementation. The guiding strategy/principle was to ensure that women are included at identification, recruitment and training for all the partners that PROFIT+ is working with. The team is utilizing responsive tools to implement the project at all levels. There is also an ongoing gender analysis, identification of entry points and good practices as part of ensuring gender responsive value chain development.

In line with the above, the gender team worked with the Chipata and Katete DWAs that have oil expellers to process cooking oil from groundnuts and sunflower, to determine the quantities of inputs needed to fully utilize this equipment. A production plan is being finalized so that all nodes of the groundnuts and sunflower value chains can have full active participation of women.

### Memoranda of Understanding with Women's Groups

The gender team was involved in drafting MOUs and as a result five women's groups (four DWAs and Mfumbeni Development Association) have now been finalized awaiting signing by the partners. Other women led mixed groups are also being identified for development of working relationships with them. The main areas of collaboration which the Project expects to work with the DWAs are as follows:

- a) Promoting the inclusion of women in the targeted value chains to ensure gender equality, women's empowerment and environmental compliance through capacity development.
- b) Facilitating the introduction of productivity enhancing technologies and best agricultural practices to improve smallholder productivity at the local level in a gender sensitive manner.
- c) Expanding the seed multiplication and commercial production programs.
- d) Organizational strengthening and capacity building interventions and support training of lead farmers and agents in good agricultural practices, business skills, quality control and basic value addition.
- e) Promoting value addition for target value chains in a gender sensitive manner.
- f) Facilitating improved access to market information for its membership.
- g) Facilitating improved access to finance for agro enterprises operating in their districts



*(Above) Faustina Tembo, PROFIT+ DHF at her demo plot in Petauke*

## Female Demo Host Farmers & Agrodealers

The Project undertook a deliberate strategy to empower the women demo host farmers and agrodealers who are implementing activities for PROFIT+ in the districts by deploying them as trainers, speakers and motivators for Project interventions and innovations at community level. To date, the Project has recruited 34 female demo host farmers (7 Chipata, 14 Katete, 11 Petauke and 2 in Lundazi). The women demo farmers and agrodealers were also supported through providing technical advice and materials to host Farmer Field Schools for the communities near them.

## Women's Empowerment in Agriculture Strategy

The Gender Team worked on the strategy document to monitor gender mainstreaming using the Women's Empowerment in Agriculture Index (WEAI) tool. The document incorporates participatory gender mainstreaming tools that will be tailored to the respective local context in line with the PROFIT+ gender mainstreaming work-plan that was developed during the Project start-up period.

## Courtesy Calls on Their Royal Highnesses (Chiefs) in Eastern Province

The Gender team facilitated the meetings between PROFIT+ and selected Chiefs in the operational districts of Eastern Province. The chiefs that were met include Senior Chief Nzamane, Chief Manzimawe and Paramount Chief Mpezeni of Chipata. The team also met Chieftainess Nyanje of Petauke and Chieftainess Mwansemphangwe of Lundazi district.

The purpose of the meetings with chiefs was to officially introduce the PROFIT+ project to their Royal Highnesses, seek their buy-in and establish areas of collaborations in some of the economic development activities and plans of the chiefdoms. Their Royal Highnesses were very grateful for the gesture and pledged their total support for the activities of the project.



**(Above) Senior Chief Nzamane (left) takes PROFIT+ staff on a tour of his maize field**



### Success Story

As a result of these visits, a partnership has been developed with Mfumbeni Development Trust (MDA) that facilitated Aflatoxin management and post harvesting handling training for about 750 community members in their chiefdom. As MDA is a traditional structure it will assist in sensitization of people on issues of negative cultural practices and promote women's increased control over productive re-

**(Left) PROFIT+ COP at Chieftainess Nyanje's (middle) granary with PROFIT+ DHF Nellie Banda**

sources such as land. This will contribute to gender equality in the target value chains in the communities.

Their Royal Highnesses were also present during the official Launch of the project on March 21, 2013.

## Meetings with CRS

The Gender Advisor who is the Activity Manager for CRS activities in PROFIT+ facilitated meetings between CRS and ACDI/VOCA staff to look at how the two can accelerate implementation of activities which fall under the scope of work for CRS' SILC activities. The meetings resolved and agreed on steps to be undertaken by each party and weekly meetings have been held to share information, review progress and plan activities. The CRS workplan has been finalized and its local staff members are expected to begin working out of the project's Chipata office next quarter.

## International Women's Day (IWD)

The Gender Team attended preparatory meetings for the International Women's Day celebrations in both Chipata and Lusaka. On the actual day the members of staff participated in the activities of IWD at Mboza Women Development Association and at Chipata Provincial function. The theme of the celebration was "The Gender Agenda, Gaining Momentum."

## GENDER Achievements

- Women have been engaged in all the PROFIT+ activities thus far.
- The inclusion rate is more than 40% and the women-led organizations such as DWAs participated in rolling out the trainings on Aflatoxin Management and Post-Harvest Handling under grants.
- The trainings in the areas of influence for DWAs reached more than 3, 000 community members.
- There is a general appreciation to include women at all levels of the PROFIT+ value chains by both staff and implementing partners.



*(Above) PROFIT+ staff as part of the crowd at the Mboza Women Development Association's IWD celebrations*

## WORKSHOPS AND TRAININGS

The Project launched its training programs on a high note in the last quarter. The main training events were Training of Trainers workshops in aflatoxin management and post-harvest handling which were followed by training roll-outs in the 4 Eastern Province districts.

### TOTs for Aflatoxin Management and Post-harvest Handling

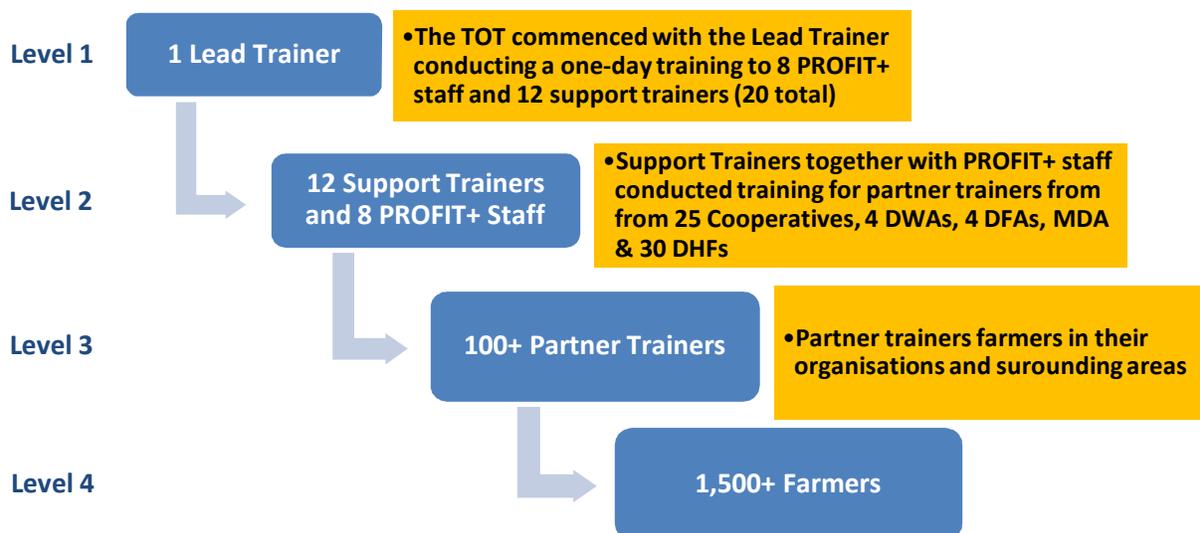
This activity began with the identification of both farmers from the Project's partner organizations who would be able to train other farmers from their group and surrounding communities including: 4 District Women Associations (DWAs), 4 District Farmers' Associations (DFAs), 35 Cooperatives, 30 Demo Host Farmers (DHF) and Mfumbeni Development Association (MDA).

Following the identification of Partner Trainers, a total of 21 CVs were received from institutions and individuals for the position of Lead Trainers and Support Trainers respectively and suitable candidates were selected following interviews.

### TRAINING STRATEGY

The Project utilized the following structure (Figure 1) in the training process:

Figure 1: Training of Trainers (TOT) Structure



The following were objectives of the trainings.

- To sensitize small-scale farmers on the dangers of Aflatoxin.
- To build capacity of farmers on production techniques that will reduce aflatoxin contamination.
- To train farmers on harvesting and post-harvest handling techniques as a basis of preventing aflatoxin contamination.

- To enable farmers to produce and market aflatoxin free groundnuts, soybeans, sunflower and maize.

Topics covered among others include:

- What is aflatoxin?
- How it infests groundnuts
- Symptoms of aflatoxin
- Its effects on human/animal health
- Harvesting and post-harvest handling

### Roll-out and Follow-up of Trainings

The roll-out training, Level 3 training, as seen from Figure 1 above, was conducted over a two week period, during which Support Trainers provided technical backstopping to Partners Trainers to ensure correct delivery of the training curriculum.

Practical examples were used during training as seen in the pictures below.



**Above: Support Trainers attending training in Chipata (Level 1)**



**(Above) Women under Lundazi DWA checking groundnuts attacked by aflatoxin**



**(Left) one roll-out training was attended by PROFIT+ Chief of Party, Richard Hurelbrink, and USAID Deputy Mission Director, Ryan Washburn. 32 females and 3 males attended the training was. The training was conducted by Chipata DWA.**

### TOTAL PARTICIPATION FROM THE AFLATOXIN TRAININGS

A total of 15,046 farmers (8,753 females and 6,293 males) were trained in a period of 10 days in all four districts as illustrated below:

DISTRICT	FEMALES	MALES	TOTAL
Lundazi	2,364	2,112	4,476
Chipata	2,317	1,363	3,680
Katete	1,578	1,150	2,728
Petauke	2,494	1,668	4,162
<b>GRAND TOTALS</b>	<b>8,753</b>	<b>6,293</b>	<b>15,046</b>



***A male DHF conducting training DWA conducting roll-out training to fellow to farmers in his catchment area***

Prior to rolling out of trainings, all necessary training materials were distributed in the four districts (Lundazi, Chipata, Katete and Petauke), including flipcharts, permanent markers, exercise books and ball pens. During the roll-out trainings, follow-ups visits were made in all four districts by PROFIT+ staff and Support Trainers to ensure quality control of the training content.

The training made an impression on farmers as they knew little about the effects of aflatoxin on human health. Additional farmers are asking for the training in areas where it was not conducted in March. It was also well received by traditional leaders in communities who requested that their populations be educated in the subject matter. There is need to organize an additional training for those partners that didn't attend the first TOT.

## **OPERATIONS & PROJECT MANAGMENT**

During the quarter under review, the project continued to recruit local staff and establish efficient management systems.

By the end of the quarter the project had recruited 34 full-time employees. A number of candidates for the remaining positions have been identified.

A Deputy Chief of Party and a Finance Manager were selected during the quarter and the Project is awaiting USAID approval since these are key project positions.

The project recruited the following staff during the quarter:

1. Environmental Compliance Specialist
2. Lundazi and Chipata Field Facilitators
3. Office and Training Administrator
4. Horticulture Field Facilitator
5. Administrative and Communications Assistant
6. Administrative Assistant
7. Drivers

## STAFF TRAININGS

During the period under review, the Project carried out some staff capacity building activities as follows:

### Grants Management

ACDI/VOCA's Senior Director of Grants & Contracts/Program Awards & Compliance conducted grants management trainings for all Project staff in Lusaka and Chipata.

The grants trainings covered:

- a. Applicable USAID regulations for grants;
- b. Different types of grant agreements;
- c. The grants selection process;
- d. Guidelines for issuing Annual Program Statements requesting concept notes from interested entities;
- e. Guidelines for grant issuance, administration and monitoring; and,
- f. Approved grant activities.

### Procurement Training

The Senior Director also conducted procurement training for the operations and finance team. The new ACDI/VOCA procurement process aims to increase organizational strength, encourage improved competitiveness and enhance individual staff empowerment. The procurement training covered:

- a. Roles and responsibilities for Project staff in the procurement process
- b. Different steps in the procurement process
- c. USAID and ACDI/VOCA regulations which govern procurements
- d. USAID Allowable and disallowable procurements

## OFFICIAL PROJECT LAUNCH



The PROFIT+ Project was officially launched at a ceremony officiated by the Honourable Provincial Minister for Eastern Province, Mr Malozo Sichone and the Acting USAID Mission Director, Dr Ryan Washburn. The launch was hosted jointly with CASH Project, another USAID-funded project, and was held at the CASH demonstration site in the Luangeni area of Feni in Chipata district.

***(Left to right) EP Provincial minister, Mr. Sichone gave an official speech with USAID Acting Mission Director, Dr. Washburn, CASH COP, Dr. Petrus, and PROFIT+ COP, Richard Hurelbrink on the panel.***

The PROFIT+ team worked jointly with the CASH staff to ensure all logistics and communication protocols and procedures were in place for the launch.

Among the notable guests were Chief Mpenzeni, Eastern province Paramount Chief, the Provincial Agricultural Coordinating Officers for Eastern and Lusaka province, District Agricultural Coordinating Officers from Eastern Province, the USAID PROFIT+ COR (Mr Mlotha Damaseke), Economic Growth Team Leader (Dr Anna Toness), Communications Officer (Mr Chris Mahoney) and other VIPs from the CASH and PROFIT+ projects, partners and stakeholders.



***(Above) DHF Alice Zulu standing in front of her poster in the PROFIT+ exhibition booth***

The project also invited one DHF from each district who were available at the PROFIT+ exhibition booth to discuss their experiences hosting the Project's demo plots. One of the female DHFs was given a chance to explain to the guest of honor and the Acting Mission Director the project's goals, objectives and activities and how she has benefited from PROFIT+'s interventions so far. She talked about the new technologies she has acquired as a DHF which were being practiced on the demo plot she was hosting. She encouraged other farmers to work with the project so that they can increase their yields and vowed to use new technologies on her field this coming farming season.



***(Above) PROFIT+ COP greeting Paramount Chief Mpenzeni***

The launch was followed by a site-visit by the Acting USAID Mission Director, the EG Team Leader, COR and Communications Officer to observe a PROFIT+ aflatoxin roll-out training in the Kapaya community in Chipata, which was followed by an inspection of the PROFIT+ Kalichero Demonstration Plot, hosted by Mr. Ngwenya in Chipata.

## **LESSONS LEARNED AND RECOMMENDATIONS**

### **GENDER**

The Gender team found that although the DWAs have the structures and ability to identify and recruit more beneficiaries in the PROFIT+ target value chains, there is need to provide some of them with capacity building in aspects of governance, business development and entrepreneurship.

This should be among the first activities to be undertaken with them in the next quarter.

## **Recommendations and Way Forward**

The total membership for the four DWAs who are primarily responsible for gender mainstreaming (bringing in more women) in the PROFIT+ target value chains is about 12,000 as against the target of least 60, 000 female beneficiaries in four years.

There is a need therefore to increase or facilitate identification, recruitment and training of more women's groups that can be engaged in the PROFIT+ value chain activities. As a way forward the first MOU with DWAs should include group mobilization and development so that membership is increased. This should be done through a short term consultancy that will oversee the group formation, group development and engagement in PROFIT+ value chain activities.

The Project will identify current gender issues that still need to be addressed based on analysis of current female DHFs and their communities. The gender team will continue its gender analysis to determine the intra- household gender dynamics in areas with a female DHF. The frame work (tools) that will be used to capture the data are focused group discussions, semi structured interviews, activity profiles for women and men, resources and benefits access and control profiles, the most significant changes and other participatory rural appraisal tools.

## **TRAININGS**

### ***Challenges***

- Some training was delayed due to funerals and challenges disbursing funds in advance to the DWAs; the trainings will continue in the month of April.
- There were inadequate teaching aids/pictures to increase understanding of the subject matter.
- There was inadequate compensation for the DHFs for training other farmers whereas the women's associations received funding for this purpose. This will be addressed for future TOTs.
- One day training duration was too short to cover harvesting and post-harvest handling in sunflower, soybeans and maize adequately and the focus was limited to aflatoxin groundnuts.
- Monitoring from Support Trainers was limited and should be extended the area to be covered by the Support Trainers was too large

### ***Lessons Learnt***

- Teaching aids/color pictures are very helpful in teaching adults as very few farmers are able to read and write.
- Preparations for grants and compensation need to be made with adequate time before the TOT.

## **MONITORING AND EVALUTION**

## Observations

- Staff members need to be consistent in submitting data collection forms after undertaking trainings or other field events.
- The M&E database needs to be implemented, so that field data can immediately be entered upon receipt from the technical staff and partners. This will help to mitigate potential beneficiary double counting
- The M&E operational manual is almost complete but the technical teams need to work with the M&E manager on integrating M&E data collection tools into program management

## Recommendations and way forwards

- A data completion certificate that will help compile real time, consistent and verifiable data has been developed and circulated for use by all staff
- Staff should receive training in the Kimetrics Information Management System which should be rolled out as soon as possible.
- The development of the sector results framework and operational indicators will help staff understand how the activities feed into the project aspirations. Hence there is need to provide their input and JDs for their staff.