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## Expanding Impact on USAID/Zambia Supported Value Chains

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

Quarterly Report:  
January 1 to March 31, 2010

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## I. Introduction

This report presents the results of AFE's program entitled "Expanding Impact on USAID/Zambia Supported Value Chains" from January 1<sup>st</sup> to March 31<sup>st</sup>, 2010.

## II. Summary of Main Activities

AFE continued its program development activities this quarter. Interviews were conducted with more than seventy five companies in six different sectors in order to identify sectors/companies with potential for: 1) economic growth and; 2) generating impact for small-scale producers. Three sectors were targeted for more in-depth assessment – crafts, tourism, and agribusiness. AFE also continued discussions with development organizations (DOs) based in Zambia as part of its initiative to establish a "Private Sector Development Network" of practitioners. Plans were also made for a new value chain training activity in April.

On the administrative side, AFE Zambia leased an office as of January 1<sup>st</sup> at Manenekela road 7, in Lusaka. In February the Admin-Finance Manager Ms. Judith Chowa and the Technical Project Manager Mr. Gasper Nampindi were hired (Gasper had been working as a AFE consultant up to that point). In March another Technical Project Manager, Mr. Hambulo Ngoma (formerly with MATEP) joined the team. During the quarter extensive progress was made in setting up the local office (registrations, furniture, equipment, internet, etc) and establishing a comprehensive financial management system using the Quickbooks financial management software program.

Specific activities and accomplishments during the quarter included the following:

- Identification of lead firms with incentives to invest in their supply chain of MSME producers. This included:
  - Follow up meetings with MATEP and PROFIT to review their collaboration with different companies and sectors to promote synergies and ensure no overlap or repetition of activities
  - Interviews with more than 75 lead firms in several value chains and supporting markets (craft, tourism, input suppliers, chicken, processed foods, etc). Companies were visited in Lusaka, Livingstone, Choma and Mazabuka (*see list of companies visited in appendix*).
  - Based on results from interviews, requested lead firms in the craft sector to submit their ideas for investing in their supply chains. Developed a "request for application" (RFA) document tailored to the sector to facilitate the process. A similar exercise will be conducted for other promising sectors.
- Assessment of local development organization's (DOs) interest in participating in a "private sector development network" to promote capacity building and lateral learning in approaches to private sector /market development (*see list of DOs interviewed in appendix*)

- Local development organizations are very interest in value chain and market development capacity building activities and the trainings that AFE conducts. Several requests for training and capacity building were received
- Discussed different forms of collaboration including trainings, working groups on topics of specific interest, events to exchange experience and learning, etc. Interest is strong for the establishment of a “private sector development network” for DOs
- USAID
  - Attended the USAID partner meeting to get insights into USAID policies. Met with other USAID programs
  - Participated in post award orientation meeting with USAID to get updated on the official rules and regulations and to meet the contact people for the different departments responsible.
  - Introduced Judith Chowa (Finance/Admin Manager) to USAID
  - Conducted periodic meetings with AFE’s AOTR

## Office

- Completed local staff recruitment activities for technical and administrative positions. This included:
  - conducting final interviews
  - carrying out reference checks
  - developing employment and remuneration packages to offer to different employees based on their previous history
- Rented local office space. This included:
  - getting official lease signed and registered by Registrar of Lands and Deeds
  - working with landlord on agreed upon repairs / acceptance of the office space after adjustments and repairs were completed
- Government registration and other tasks
  - Completed all paperwork and formalities for ZRA
  - Completed and submitted all paperwork for NAPSA
  - Completed Workmen’s compensation documentation (were advised by them to issue this in the next financial year)
  - Discussed with USAID the new VAT exemption procedures and how to make it as efficient as possible for both parties
- Printed business cards and stationary
- Purchases:
  - office furniture (desks, chairs, filing cabinets, ACs, etc)
  - office equipment (UPS, computers, printers, copiers, fax, LCD projector)
  - office services (phone, internet, office security)

- Vehicle not purchased yet as there was need for budget realignment (this has now been clarified with the Mission)
- Collected information and discussed with the insurance companies on local health and accident insurance programs
- Completed comprehensive personnel manual tailored to AFE Zambia office
  - Manual was reviewed by a professional labour consultant
  - Last discussions and adjustments done and now ready for official approval by GRZ labour department
- Administration/Finance
  - Trained the Admin/Finance manager the use of QuickBooks accounting system. Provided orientation to COP.
  - Files for personnel is in place, detailed information and copies of the necessary documents are assembled
  - Filing system initiated
  - Logistic procedures commenced
  - Time sheets and payment procedures in place
  - Implementation of admin procedures according to manual
  - VAT receipts are as well recorded in a separate Excel sheet
  - Some bank issues with regard to signatures were solved
- Personnel
  - Oriented in the administrative procedures e.g. time sheets, travel advances, salary payments, record keeping and reporting, AFE regulations
  - Weekly team meetings to learn, discuss and build capacity

### **III. Accomplishments / Results Achieved**

Major accomplishment of the second quarter included:

- Progress was made towards the identification of companies in different sectors with 1) incentives to invest in their supply chain of small-scale producers and 2) interest in collaborating with the AFE program
- Initial request for applications issued to lead firms in the craft sector to solicit their ideas for this kind of investment and structure collaboration with AFE
- Continued discussions with development organizations to assess their interest in the establishment of a “Private Sector Development Network” of practitioners whose goal would be to build capacity of members in value chain / market development through training and lateral learning activities
- Establishment and official opening of AFE office along with accompanying development of operational systems and procedures.

#### **IV. Implementation Issues**

There were no major implementation issues during the quarter. The establishment of formal MOUs with lead firms is taking longer than originally expected, given the large number of firms that needed to be interviewed, but this will begin to take place soon.

Some purchasing delays were experienced due to the new procedures for the VAT exemption set by the ZRA. After some clarifications from USAID there is now a procedure in place that is working but for the longer term it is hoped that a more convenient solution can be found for both USAID and its projects.

#### **V. Conclusion**

AFE feels it is making good progress towards its program goals and looks forward to building on progress made to date. During the next quarter AFE expects to begin collaboration with a number of lead firms in targeted sectors, establish a private sector development network for DOs, and begin a variety of capacity building activities.

**APPENDIX 1: LIST OF LEAD FIRMS CONTACTED/ INTERVIEWED**

<b>No.</b>	<b>Company Name</b>	<b>Products Sourced from Producers (or sold to Producers in the case of input supply companies)</b>
<b>TIMBER</b>		
1	Trulog Timber Merchant Limited	Timber Sells to building industry / linked to construction sector
2	Fallsway Timber	Timber
3	Sasha Timber	Timber
<b>AGRIBUSINESS</b>		
4	Omnia Nutriology	Fertilizer
5	Quality Commodities Limited	Soya beans, Wheat, Maize
6	Zambia Extract Oils and Colourants Limited	Paprika, Soya beans
7	Superior Milling Limited	Maize meal
8	Zambia Seed Company Limited	Seed, Vegetables, potatoes
9	Pannar Seed (Z) Zambia	Seed
10	Pioneer Seed Dupont Zambia Limited	Seed
11	Professional Agro Irrigation Limited	Irrigation equipment
12	Zamanita Limited	Soya beans, sunflower, and cotton seed, and cooking oil (used to be govt)
13	Zambian Breweries Group	Barley, malt, sorghum
14	York Farm Limited	Fresh vegetables , Baby corn
15	Kembe Cold Storage Corporation Limited	Cattle, Goats, Pork
16	Seba Foods (Zambia) Limited	Soya beans, Maize
17	Amigo Foods Limited	Potatoes, maize grits and processed oil
18	King Quality Meat Products Limited	Beef, Lamb, Pork
19	Real Meat Company Limited	Beef, Pork, Lamb
20	Up2date Fruit & Vegetable Limited	Fresh Fruit & Vegetables + potatoes
21	Authentic Foods of Zambia Limited	Cassava
22	ATS Agrochemicals	Supply of agrochemicals, distributor with Syngenta
23	Zambia Coffee Growers' Association Ltd	Coffee
24	Syngenta	Supply of agrochemicals
25	Galaunia Farms Limited (Luscold)	Milk, Beef, Chickens
26	Rivonia Farm Products	tomatoes, onions, chillies, pineapples, oranges, lemons, guavas and mangos
27	Sylva Food Solutions Limited	bondwa, chibwabwa (pumpkin leaves), Kanuka (black jack), Katapa (cassava leaves)
28	Proccess Enterprises Limited (PEPCO)	Cassava, Rice
29	Mushe Milling Company	Maize
30	Yambeeji Rice and Honey products	Paddy rice , and honey
31	Savanna Commodities	Cereals and legumes
32	National Milling Corporation	Maize, rice,
33	Lumuno Organic Farm	Raw chili pods
34	Farmers link	Seed for millet, sorghum, cowpeas, beans and groundnuts.
35	Eastern Province Farmers Cooperative limited	Groundnuts and beans
36	Dairy King Limited	Raw milk
37	Crop serve Zambia Limited	N/A
38	Amazing Feeds	cassava

No.	Company Name	Products Sourced from Producers (or sold to Producers in the case of input supply companies)
39	Sunline Limited	Groundnuts
40	Ross Breeders	Breeding and hatchery
41	Finta Farms Limited	Processing of pasteurized milk
42	Eureka Chickens	Chickens
43	Zambia Sugar PLC	Sugar
44	Kaleya Smallholders Company Limited	Sugar cane
45	Kalahari Oils	Forest fruits (mungongo nuts)
46	Galunia Farms Limited (Luscold) (Chicken Division) -Crest chickens	Chickens
47	Galunia Farms Limited (Luscold) (Milk Division) -Diamonddale	Milk
48	Country Choice Chickens	Chickens
49	Hybrid Poultry Farm	Chickens
50	Bakhresa Food Products Limited	Dairy Products
51	Sayyah Enterprises Limited	Dairy products
52	Bruno's Jatropha Limited	Jatropha oil
53	Rab Processors limited	Food products
54	Tombwe Processing Limited	Tobacco
55	ZamAce	Brokers for agri products, mainly maize and other staple crops
56	CHC	Traders staple crops
57	Freshpikt	Tinning factory beans, pine apple, tomato, etc
<b>CRAFTS AND GARMENTS</b>		
58	Little Ndaba Limited	Craft toys, wood toys for children / fabric based things
59	HIPEGO	Traditional baskets
60	Tribal Textiles	Table linen and bed linen, cushion covers, wall hangings, kids range and accessories
61	African Joy	Soft furnishings, garments and Crafts
62	Nangaunozye Fashion Limited	Crafts
63	Miapen Zambia crafts	Traditional fruit shells
64	Nansanzo International Limited	Handcrafts
65	Kubu Crafts	Crafts
66	Choma Museum & Crafts Centre (CMCC)	Crafts
67	African Sea Shells Crafts & Curios	Crafts
68	The Whole in the Wall Craft Shop	Crafts
69	Zambezi Jewels	Crafts
70	Thenji Fashion & General Dealers	Garments
<b>HONEY</b>		
71	Bwikashi Properties Limited	Honey
72	Mpongwe Beekeeping Enterprises	Comb honey and beeswax
73	Meshearles Enterprises Ltd	Comb honey and beeswax, groundnuts
74	Ubuchi Capital Enterprises Ltd	Honey
75	Forest Fruits	Honey, wax, wild harvest seeds for oil
<b>AQUACULTURE</b>		
76	Tilapia Enterprises	fish
77	Capital Fisheries Limited	fish
<b>TOURISM</b>		
78	Bush Buzz Limited	N/A
79	Cutty Sark Tours, Traval & Car Hire Ltd	N/A
80	Kachelo Travel Limited	N/A
81	Voyagers Zambia Limited	N/A
82	Alendo Travel, Tours & Car Hire Ltd	N/A
83	Kaazmein Lodge	Vegetables, beef & chickens
84	Tongabezi Lodge	Vegetables
85	Mukuni Big Five Safaris (formerly Royal Mukuni Lodge)	Nothing from local producers. Lodge closed now a zoo



No.	Company Name	Products Sourced from Producers (or sold to Producers in the case of input supply companies)
86	The River Club	Chicken, vegetables, fish
87	Euma tours	Trips, guided tours
88	Wild side tours and safari	Transfers, tours, ground agent, activities
89	Safpar	lodge
90	Peco travel and tours	Car hire, transfers, conferences, tours, travel services
91	Bushtracks	Tours and travel agent
92	Floating skies	Village tours
93	Ngoma Zanga	Restaurant, with local entertainment
94	Ngolide Lodge	Vegetables, beef & Chickens
95	Natural Mystic lodge	Vegetables, beef & Chickens
96	Golden Grass	Thatching roofs, lodges, houses

## APPENDIX 2: LIST OF DEVELOPMENT ORGANIZATIONS INTERVIEWED

No.	Name	Abbreviation	Contact person
1	World Vision	WV	Claude
2	International Labour Organisation	ILO	Jealous Chirove
3	Food Security Research Programme	FSRP	Charles Kabaghe
4	International Finance Corporation	IFC	Siobhan Franklin
5	Capacity building for Private Sector Development	CBPSD	John Payton
6	Catholic Relief Services	CRS	Dane Fredenburg and Geoffrey Heinrich
7	Participatory Ecological land use management	PELUM	Victor Makasa
8	Organic Producers and Processors Association	OPPAZ	Munshimbwe. Chitalu
9	Agriculture Organisation for Sustainable Agribusiness with natural plant products	ASNAPP	Halimu Malumo
10	Market Access Trade and Enabling Policies Programme	MATEP	Scott Simons
11	Production Finance and Technology Project	PROFIT	Mark Wood
12	Self Help Africa	SHA	Kalongo Chitnegi
13	Techno Serve		Amar Shah
14	Zambia Development Agent	ZDA	Kalobwe Chansa and Glyne Michelo
15	Kafue trust		Frederik Hengeveld
16	Keepers Zambia Foundation	KZF	John Msimuko
17	World Food Programme	WFP	Felix Edwards
18	Agri-Business Forum	ABF	Felix Chizuka
19	Food Crop Diversification Support Project	FODIS	Hitomi Yamamoto
20	JICA	JICA	Patrick Chibamullilo & Matsushita Yuichi
21	International Development Enterprise	IDE	Kenneth Chelemu and Peter Lungu
22	Zambia Business Forum	ZBF	Shuller Habeenzu
23	Zambia Relief and Development Foundation	ZRDF	Choolwe Milambo & Helen Coward
24	Oxfam	OXFAM	Ann Witteveen
25	CARE		Peter Manda
26	Food and Agriculture Organisation	FAO	Christian Chomba
27	Stichting Nederlandse vrijwilligers	SNV	CorJan van der Jagt & Kevin Kabunda
28	Zambia National Farmers Union	ZNFU	Hamusimbi Coillard
29	Zambia tourism board		Stein Liyanda
30	Conservation Farmers Union	CFU	Elly Van der Vinne
31	Poultry Association Zambia	PAZ	Mr. Ngosa

32	Chongwe Organic Producers and processors Association	Choppa	Edwin Matambo
33	Women and land rights		Maambo Mudenda
34	Ministry of Agriculture and cooperatives	MACO	Abedanigo Banda
35	Program Against Malnutrition	PAM	Doris Musonda
36	Niras		TS Musoya



ACTIVITIES	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
- Develop MOUs and cost share agreements with LFs that describe the collaboration with AFE as well as roles and responsibilities for interventions			—————	—————	—————							
- Provide TA to LFs in implementing interventions according to work plans and cost share agreements				—————	—————	—————	—————	—————	—————	—————	—————	—————
- Organize appropriate cross cutting interventions for LFs in the same industry					—————	—————	—————	—————	—————	—————	—————	—————
<i>PROMOTING LEARNING IN FACILITATION OF VALUE CHAIN DEVELOPMENT PROGRAMS (the following activities will contribute to IR 5.3)</i>												
- Conduct assessment with local development organization and GOZ representatives (that are engaged in economic sectors and industries where USAID programs have been working) to determine interest in and need for value chain / market development approaches	—————	—————										
- Develop training materials (session plans, case studies, practical exercises, etc) that are based on PROFIT learning, AFE value chain training materials, and target group's needs.		—————	—————									
- Organize training workshops with organizations that are intervening in the same industries as USAID programs. Underline the importance of relationships among market actors, sustainability of impact, leveraged impact through working with lead firms, etc. Revise training materials as needed.			—————	—————	—————	—————	—————	—————				
- Organize additional activities to support learning agenda (workshops, working groups, etc)					—————	—————	—————	—————	—————	—————	—————	—————
-												
<i>ADDITIONAL ACTIVITIES (POTENTIAL)</i>												
- Coordinate with MSU FSRP and their involvement in the Accelerated Cassava Utilization task force – potential involvement in supporting LFs (Tiger Feed, etc) who are processing cassava with their backward linkages and business model.				—————	—————							
<i>Performance Monitoring and Impact Assessment</i>												
- Finalize performance monitoring and evaluation systems (both quantitative and qualitative tools)			—————	—————								
- Conduct baseline with LFs and their MSME suppliers once MOUs are established with the LFs				—————	—————	—————	—————					
- Conduct semi-annual M&E reports to assess results and make program modifications as needed						—————						—————