



**USAID**  
FROM THE AMERICAN PEOPLE



# MONITORING AND EVALUATION PLAN

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## OVERVIEW

### Introduction

PROFIT is a 5 year program that uses production finance and improved technology as the means to achieve USAID's broader objective of *Increased Sector Competitiveness in Agriculture and Natural Resources (SO)*. PROFIT responsibility in achieving USAID's SO is to increase industry growth while assuring meaningful poverty reduction at the household level. To achieve this growth with poverty reduction goal, PROFIT uses a value chain approach that is driven by two components. The first component is a value chain analytical framework and the second component is market facilitation.

The framework is based on two foundational principles. The first is that by targeting high potential industries that can compete nationally, regionally, and/or internationally and include large numbers of MSEs, broad-based economic growth can be achieved. The second is that to achieve industry growth you need to look at the broader market system in which an industry operates. So while PROFIT focuses on results at the industry level as being paramount and through which longer term benefits will flow to the enterprises and people participating in that industry, its framework for analyzing an industry is much broader than the core functional levels of a value chain.

Market facilitation is defined by an action or agent that stimulates the market to develop and grow, but does not become part of it. Market facilitation, while simple conceptually, is very difficult in practice as the aim is to catalyze ownership of a process of constant upgrading among the actors in the value chain. The economic incentives and cultural norms that drive behavior and the constantly changing market dynamics make the environment fluid, often resulting in conflicting economic and social incentives. It is the job of the market facilitator to in the face of these conflicting incentives, foster new and shifting relationships, on-going innovation, and shifting benefit flows such that the actors in the value chain behave in a way that in the collective makes the industry more competitive.

As a result, implementing a program using this two pronged approach presents a range of challenges in collecting, analyzing, and using information required to achieve objectives. Essentially, this approach requires a complete re-think of the monitoring and evaluation process moving from an almost stove piped reporting structure to an integrated management process. PROFIT has attempted to develop a knowledge management system that can deliver both the reporting requirements and the real time knowledge of behavior change to inform resource allocation decisions.

The monitoring and evaluation plan is broken into two sections. The first section provides an overview of monitoring and evaluation basics including PROFIT's overarching causal model. The next section covers PROFIT knowledge management system including details on how PROFIT integrates the monitoring and evaluation basics and its overarching causal model into its management processes. The plan also provides a number of detailed annexes.

## SECTION ONE: MONITORING AND EVALUATION BASICS

### Monitoring and Evaluation Concepts

Monitoring is a continuous function that aims to provide PROFIT staff and other players with early indications as to whether or not there is progress towards achievement of programme objectives. Monitoring allows timely decision making. Successes can be consolidated and mistakes can be corrected. It is a dynamic process.

Reporting is the systematic and timely provision of essential information used as a basis for decision-making at appropriate management levels. It is an integral part of the monitoring function.

Evaluation is a time-bound exercise that assesses systematically and objectively the relevance, performance and success of ongoing and completed programmes at selected stages of the programmes. It uses information arising from monitoring and reporting, but may also involve data collection that serves to verify and complete such information.

### Common Terms of Monitoring and Evaluation

Monitoring and evaluation system uses the following common terms:

- Inputs:** resources required to achieve outputs, including money, equipment and human resources.
- Outputs:** **tangible results** of the input – cattle treated, farmers trained, agents established. These will be **standard**. Comparing the inputs to the outputs indicate the efficiency and effectiveness of PROFIT.
- Outcomes:** how the outputs have contributed to an **expected change** in the situation which was to be addressed by the project. The outcomes also indicate the effectiveness of the PROFIT in achieving its overall objective.
- Objectives:** contribute to the overall PROFIT goal and allows **measurement of the success** of the programme.
- Impact:** is the **long term result** of the outcome. The impact includes the overall social, economic, and other developmental effects that the outcomes of the programme have had the community.
- Indicators:** measure the achievements of the outputs, outcomes and objectives. They are measurable, accurate, verifiable, specific, time bound, simple, obtainable and easy to understand.

**Direct Beneficiaries:** people who benefit directly from the services provided by the PROFIT investment;

## **Principles of a Monitoring and Evaluation System**

All monitoring and evaluation system should follow the following principles:

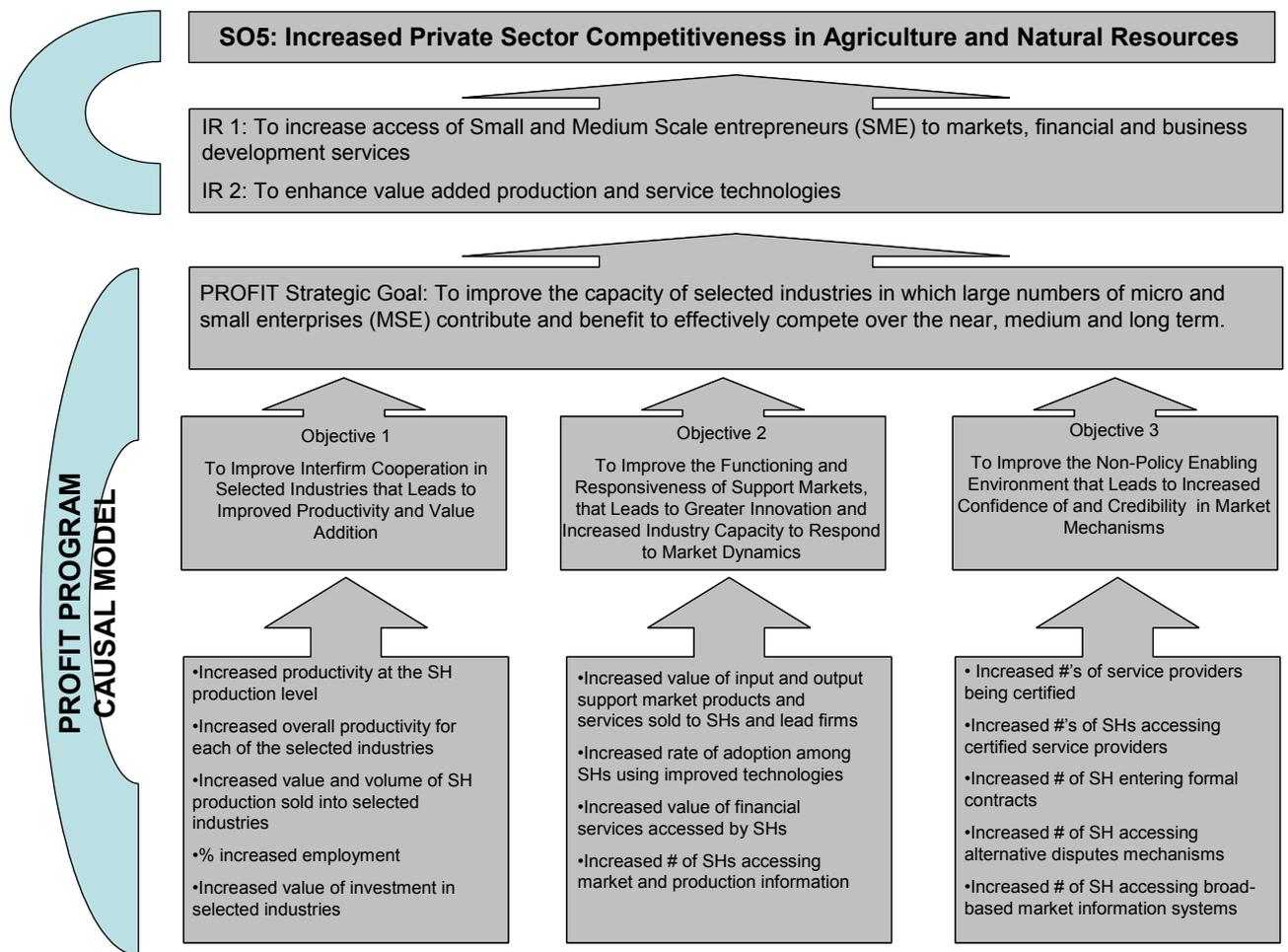
- Meets the needs of all the stakeholders – the farmers, the service providers, lead firms, PROFIT staff, sub-grantees, USAID;
- Measures the impact of PROFIT strategies on the livelihoods of those involved;
- Identify what needs to be done, how, where, when and by whom;
- Identify what works and what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

## **PROFIT's Overarching Causal Model**

All private sector development (PSD) programs are based on a *causal model* that purports to show how program activities lead to intended program impacts. The causal model may be explicit, or it may be implied in program design (an explicit causal model is preferred), but in either case, it consists of a set of theoretical relationships (or logical framework) that link program activities to program impacts. Or, stated in less technical terms, a causal model is akin to a roadmap showing how the PSD program gets from Point A (program activities) to Point Z (program impact).

PROFIT had to define its causal model within the context of USAID Zambia's Strategic Objective Number 5 of Increased Competitiveness of Zambia's Agricultural and Natural Resource Sectors. PROFIT took this broad objective and gave it more context as a means to set a vision for selected industry competitiveness. Provided below is a graphic that shows how PROFIT defines its overview causal model based on its analytical framework described above. As defined in the graphic PROFIT's implementation activities are defined around three tactical goals. The first is to improve interfirm cooperation within the selected core value chains. The second is to develop support markets of critically important services and products for the selected value chains. The third goal is to foster improvements in the non-policy environment that build credibility and confidence in market mechanisms.

## CASUAL FRAMEWORKS USAID/PROFIT



### PROFIT's Required Indicators

Directly tied to PROFIT's overarching causal model are its required reporting indicators. PROFIT indicators are provided in Annex 1 with definitions.

## SECTION TWO: PROFIT'S KNOWLEDGE MANAGEMENT SYSTEM

### PROFIT's Industry Pathway System

Market facilitation is defined by an action or agent that stimulates the market to develop and grow, but does not become part of it. Market facilitation, while simple conceptually, is very difficult in practice as the aim is to catalyze ownership of a process of constant upgrading among the actors in the value chain. The economic incentives and cultural norms that drive behavior and the constantly changing market dynamics make the environment fluid, often resulting in conflicting economic and social incentives. It is the job of the market facilitator to in the face of these conflicting incentives, foster new and shifting relationships, on-going innovation, and shifting benefit flows such that the actors in the value chain behave in a way that in the collective makes the industry more competitive.

Implementing a market facilitation approach is dependent upon a management structure that actively pushes information from the ground back up to managers and then back down to field staff. Field staff must have the capacity to read and react to local market signals and understand the fine line between facilitating an action and directing an action. Empowering field staff with the knowledge and skills to fulfill this role is critical and highly dependent upon staff having ownership of project's strategic objective and belief in the approach. As a result, management had to design knowledge management structures that conformed to the overarching causal model and captured explicit as well as tacit knowledge in order to foster a more communicative and creative working environment. It would be only through a knowledge management foundation that PROFIT could determine if the project was headed in the right direction at an acceptable pace within the timeframe necessary to modify project activities assuring the best possibility of success.

An industry pathway is a four component knowledge management system that allows facilitators to flexibly apply resources via interventions to foster actors to take on responsibilities and behaviors required to become and remain competitive. The four components include:

#### **Component 1: Intervention Process**

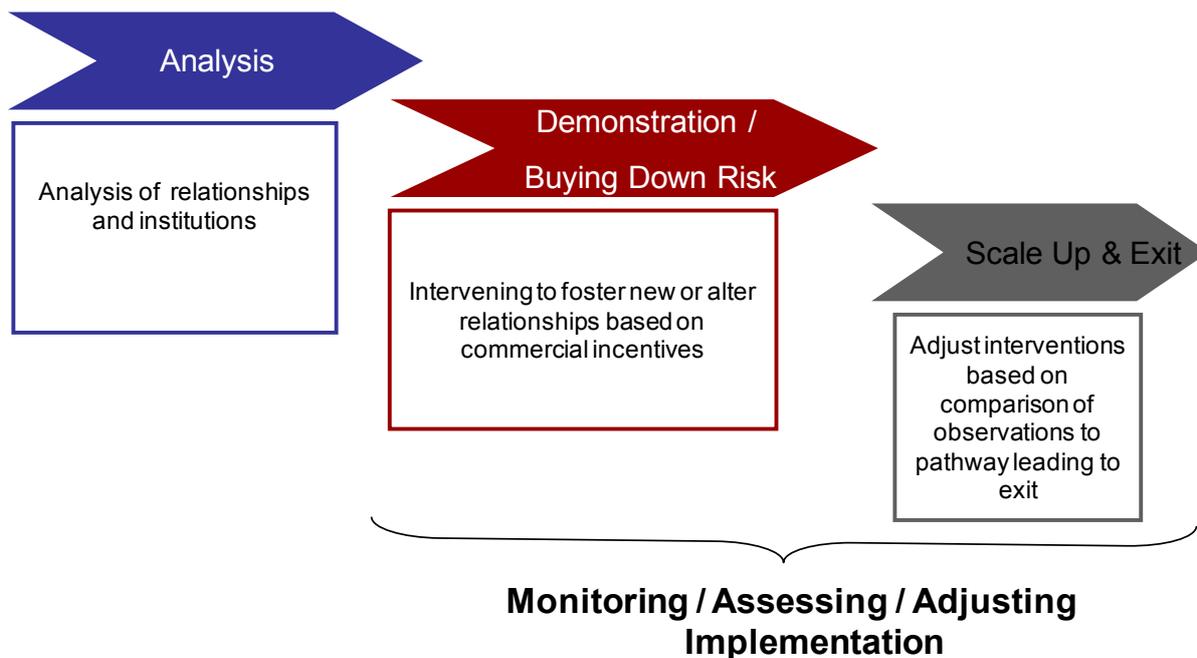
The intervention process is comprised of three-phases. While there is a sequence to the intervention process, sequencing does not always follow a rigid step by step process. Instead interventions may be at different phases at different times, skip a middle phase, require PROFIT to go back a phase, etc. It for this reason that it is critical that an over arching pathway system is grounded in the timeframe of the project and then informed by expected as well as actual observations. The intervention phases include:

- **Analysis:** The analysis phase starts with a modified two part value chain analysis. The first part assesses the potential of an intervention in an industry based on growth prospects, scale/impact of MSE participation, and leadership characteristics of an industry. As an industry passes the

first part of the analysis, a more detailed analyses focusing on inter-firm cooperation and support market constraints is conducted. Based on the detailed constraints analysis, leveraging analysis is conducted to determine key services and functional relationships where PROFIT can leverage systemic change.

- **Demonstration/Buy Down Risk:** Phase II flows directly from the leveraging stage in Phase I. As the leveraging stage identifies targets for intervention and the ground truthing confirms a specific target, PROFIT will begin to engage selected targets – i.e, a specific lead firm, retailer, service provider, community, and support market (multiple actors). This phase will follow a process from initial engagement to the beginnings of new or improved commercial relationships that are mutually beneficial, more formal, longer-term and supportive of industry level requirements.
- **Scale Up/Exit Phase:** Scale up/Exit Phase starts the initiation and monitoring of transactions and/or activities under contract, and ends with PROFIT exiting completely or moving to the next stage of facilitating a scaling up or expanding process. Monitoring is a critical during this phase as exiting is not clear cut and requires nuanced information. For specific relationships, PROFIT should exit as soon as transactions become stable and re-occur on a regular basis. Broader involvement in a market or industry will likely require shifting to new relationships or focusing on higher level constraints such as entry barriers or systemic constraints

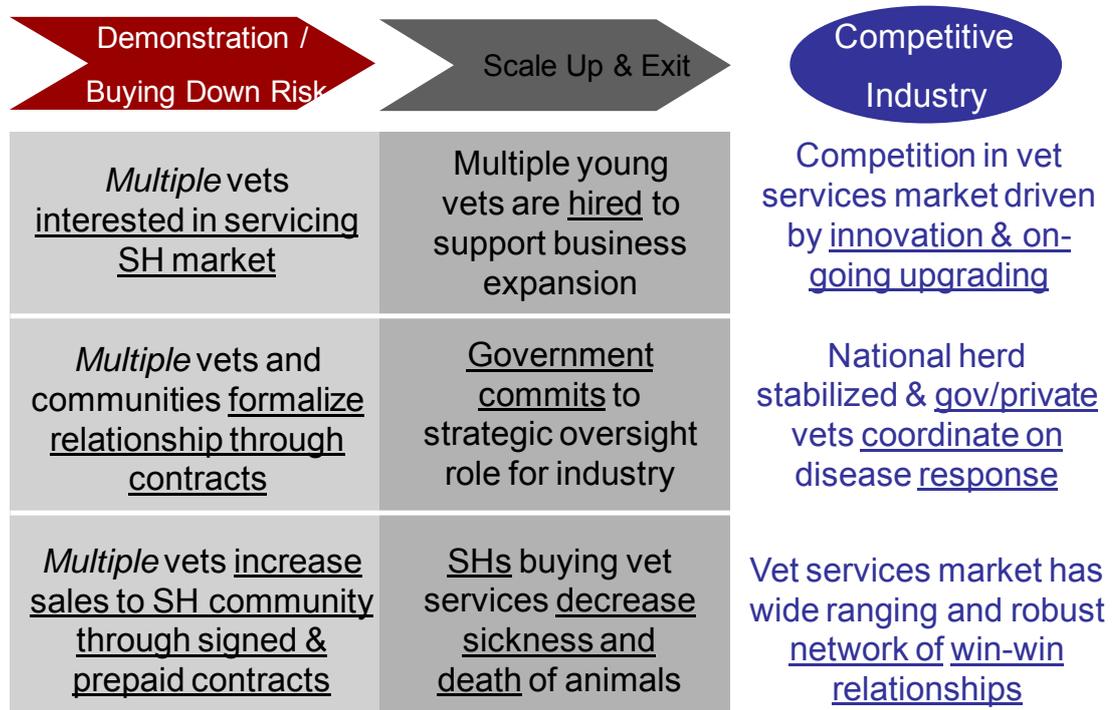
Below is a graphic that lays out the project process.



## Component 2: Industry Specific Pathway Observations

PROFIT creates sets of expected observations that lay out a pathway of behaviour change along the intervention process leading to a vision of competitiveness. These observations are based on local and international analysis of effective behaviour patterns in competitive industries and then are applied to the specific context of the industries in which PROFIT is working. A simplified example of the vet industry’s pathway observations is provided below. Detailed pathways for all of PROFIT’s main industry interventions are provided in Annex 2. Pathway observations provide a benchmark against which PROFIT can compare actual observations to determine direction and pace of progress.

## Sample Observations from PROFIT's **Vet Services** Project Strategy



### Component 3: Learning Loops

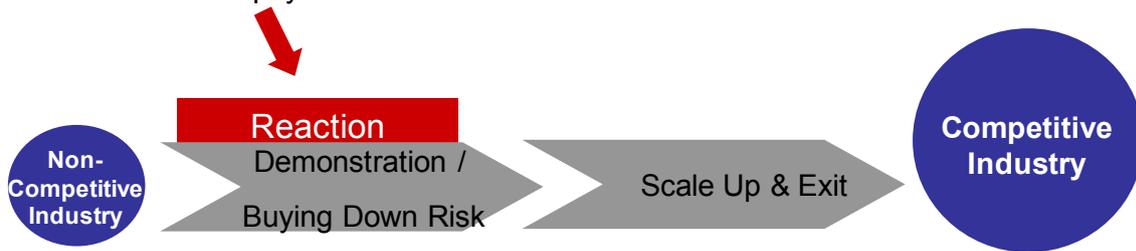
PROFIT designed its approach to intentionally foster and capture information from learning loops emanating from all interventions. The process of how the learning loops are integrated and drive decision making is best described in the context of looking at a sequence of linked interventions. Typically, a sequence begins with an initial set of activities based on analysis. The initial set of activities initiate an on-going process of comparing how value chain actors and associated relationships react to opportunities and threats catalyzed by the interventions. For example in the vet industry, PROFIT designed an assistance package to private vets to help them directly target the smallholder market. A key intervention principle to assure PROFIT would be able to observe a genuine reaction is self-selection. Self selection is a process whereby PROFIT would require an action by a local actor in order to receive some assistance.

Through this initial set of activities, PROFIT would be able to compare expected observation against actual observations to determine progress along the pathway. The graphic below depicts how graphic below for the vet industry.

Non-competitive Vet Industry: Preventative vet services not accessible to rural cattle owners resulting in high rates of sickness and death threatening overall beef industry.

Pre-defined Activities Conducted by PROFIT:

1. Vets & communities identified
2. Vet services presented to community
3. Contract negotiated & signed
4. Initial payment made and services delivered



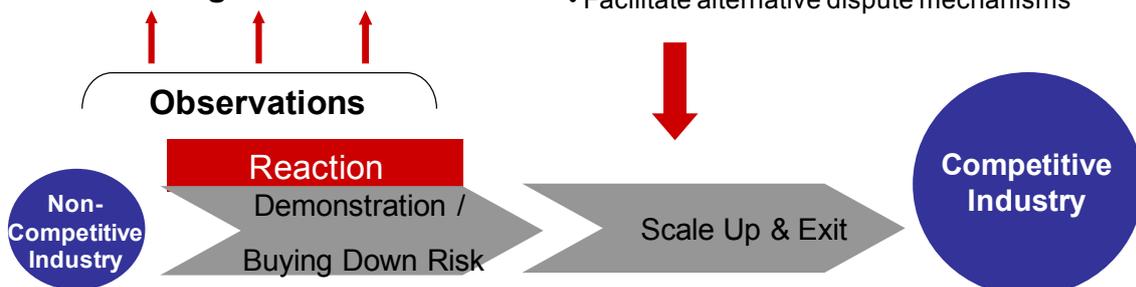
After the initial pre-defined activities the knowledge management process would drive follow on interventions within the context of keeping the industry moving along the pathway towards being competitive over time. PROFIT would have already laid out a range of contingent activities that might be needed depending on the knowledge gained from the comparison of the actual from expected observations. The graphic below provides an example from the vet case that shows a set of contingent activities that were assessed based on learning from the initial pre-defined activities.

**Collective Learning Drives Follow-on Facilitation Activities**

**Project Management and Staff Assess Against Project Strategy & Learn Together**

Contingent Activities:

- Facilitate better managed vet businesses
- Facilitate standards
- Facilitate financial Services
- Facilitate AI and feed supplement services
- Facilitate diagnostic services
- Facilitate networking among vets
- Facilitate improved infrastructure
- Facilitate alternative dispute mechanisms



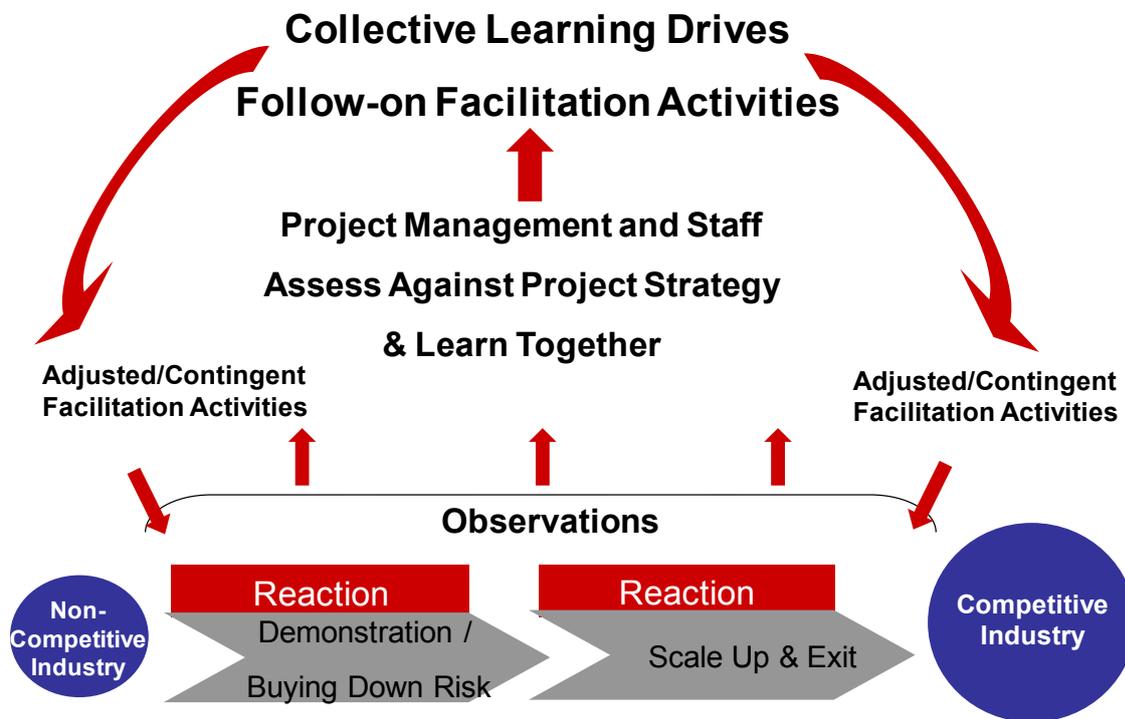
Managing this dynamic through a series of interventions is important as there are multiple potential factors that if changed will result in shifting incentives and new behavior patterns. Often in a region, a combination of factors needs to change in order to foster change in systemic incentives. For example, increased competition, a stronger capacity of manage pre-paid services (i.e., cash and inventory management), and a willingness to take on more risk will be required if the vet industry in a region grows in response to identifiable demand. To deal with this complexity, PROFIT needs to constantly be comparing actual versus expected observations to assess nuanced differences and determine if/when shifts in its interventions should be considered.

An important point here is that PROFIT intentionally integrated the intervention process into the industry pathway as a means to assure their exiting process correlates with the funding cycle of the project. Before any intervention PROFIT asks three questions:

- 1) will this intervention foster increased competitiveness at a systemic level,
- 2) will it be conducted in a way that crowds in local actors to take on responsibility, and
- 3) will the project be able to finish the intervention given resource and time constraints

PROFIT's knowledge management process is the engine that allows effective decisions on which intervention, which region, and when. At full swing PROFIT is at multiple places within its intervention process and along its industry pathways depending on the how each region, vet, input provider, lead firm, and community take on responsibilities and behaviors. The graphic below provides an overview of the process.

## Knowledge Management In Practice



### Component 4: Knowledge Capture and Data Quality

The intervention process is not only a critical tool for management to track PROFIT performance, but it is also necessary for identifying where learning is happening. Again, the PROFIT approach is dependent on the ability of staff and managers to learn what is working and what is not in the context of the causal model and pathways and apply that knowledge to revise and adjust new and on-going activities. The ability of PROFIT to capture this learning is dependent on the project's ability to understand the both tacit (knowledge that is held internal to an individual) and explicit knowledge (knowledge that is defined through a report or presentation). It is also critical for PROFIT to have confidence in the information that it is capturing to make sure it is accurate within a reasonable range of variability.

#### Knowledge Capture

Below are details on the tools and processes that PROFIT uses to capture both tacit and explicit knowledge. The knowledge captured is not only fed into the pathway system to inform on-going and follow on interventions, but also required reporting regimes.

#### Tacit Knowledge Capture

As stated above the pathway system is instrumental in building the conceptual understanding of why learning is critical to the PROFIT approach, but it is not sufficient to assure actual tacit knowledge is captured. To capture tacit knowledge PROFIT uses five different qualitative methods.

1. The first and the most important method is a knowledge or learning-based operating culture in the program. PROFIT had to assure that incentives whether in the form of bonuses or kudos were supportive of the staff actively sharing information and questioning why they are doing a specific activity. This is an on-going process that is rooted in the approach, but requires constant internal monitoring as well. Most staff had typically operated in hierarchical management structures with specific activities and reporting requirements where performance was quantified based on outputs (e.g., number of people trained, number of transactions conducted, etc.). PROFIT requested them to understand and own the approach, working closely with management to assess performance and redirect resources. For many staff moving from being directed to being consulted has been a slow process. For example, performance reviews include the ability to identify market responses and the speed at which they pass on that knowledge. Essentially, PROFIT is not paying staff to perform certain activities as much as it is paying staff to be keen observers and communicators. In addition to performance reviews, PROFIT management works to push staff to engage and own the approach via regular visits and close interaction that is on a consultative basis.
2. The second method is regional teams to foster social cohesion and joint responsibility among staff across the region. The team meetings are held once a month and focus on local and regional industry and intervention challenges in the context of expected versus actual observations. The objectives of the meetings are to share experiences, capture success stories and learning, and brainstorm ways of addressing challenges. Through these discussions, staff develop recommendations to management on tailored training needs, tools for communicating to value chain actors, and how to rework activities at the demonstration and scale up phases.
3. The third method is staff exchanges. Staff propose exchanges where they would travel to another PROFIT location or have a staff member travel to their location. Proposals are sent to the operations manager to assure budget availability. Assuming valid reasoning and budget availability, the staff exchange is approved and the participating staff makes arrangements for the exchange and then writes a brief report on the outputs from the exchange. Again, staff relying on other staff and not just management fosters increased ownership and social pressure to share information and conform to behavior norms that have been established in the project (e.g., work ethic, approach buy-in, integrity, etc.).
4. The fourth method is participatory small-group learning workshops. PROFIT management and staff design and present participatory training modules on an on-going basis to extend learning and increase staff to staff interaction and learning. The workshops are facilitated by a range of different staff to push ownership and breakdown rigid hierarchy structures. Similar to the more open forum discussion, the learning workshops result in shifts in activities and resource utilization.
5. The last method is an annual staff retreat that is conducted by an outside consultant. The same consultant conducts the retreat every year to establish

continuity and foster an open environment. The retreat includes targeted learning objectives (e.g., how to use indicators, mediation, etc.), refining the overall approach, increasing staff ownership of approach, and strengthening the operating culture.

### Explicit Knowledge Capture

To a great extent the day to day operations of PROFIT are driven via the tacit knowledge management methods. However, the qualitative and soft nature of the knowledge captured is not sufficient to assure PROFIT is affecting systemic change resulting in increased industry competitiveness. Explicit data and knowledge must be tracked to get a more complete picture of PROFIT's performance and to meet reporting requirements. For the purposes of this paper, the discussion of explicit knowledge will focus on the process of capturing monitoring data for management and reporting purposes.

PROFIT uses four levels of explicit data capture to assure the quality of knowledge flowing into its management and reporting processes:

1. The first is its monthly tracking reports. A copy of the tracking form is in annex 3. The tracking form directly links to the industry pathway observations to better track key indicators against expected behaviors. For example, sales, clients, new contracts, promotional events, etc. are tracked to determine if behavior change is scaling up and becoming entrenched in a community or firm. The reports track output and outcome indicators for specific regions. The figures from these reports are tracked to assess trends and to support tacit knowledge captured. Regional differences can be spotted and assessed to determine opportunities or potential problems requiring additional resources and/or staff support. PROFIT also rolls these number up to combine with the second level of data capture for reporting to USAID.
2. PROFIT takes the aggregated figures from the tracking reports to roll into its quarter and the annual reports. The quarterly and annual reports also include national level data collection on industry-wide performance. The data collection process includes interviews with lead firms, key informants, and external sources (government, research organizations, associations, etc.) Much of the required indicators can be derived from the tracking and quarterly/annual report data collection processes.
3. The third level of data capture is its twice yearly household evaluation. PROFIT conducts an internal household evaluation using survey, focus group, and asset assessment tools to determine the affect of project interventions on participating communities. The how to manual for evaluation that details the various tools is provided in annex 4. The household evaluation does not have control groups so it is not a rigorous impact assessment, but the process does provide important indications that when combined with other sources of data provide a credible level of attribution to guide strategic project decisions.
4. The fourth level of data capture is an external longitudinal impact assessment. Conducted in cooperation with USAID/Microenterprise Development Office's AMAP project, the impact assessment is being conducted by DAI and Ruralnet. The initial baseline was conducted in October of 2006 with the baseline report

finished in May of 2007. The executive summary of the baseline report is provided in annex 5. The next action is the mid-term survey, which is scheduled to be conducted in 2008 or 2009.

## **Data Quality**

The PROFIT approach is dependent on getting realistic and accurate information/knowledge in order to know whether the intervention is working in catalyzing certain actions. As a result, PROFIT invests in its operating culture, data collection methods, and analysis capacity to assure all information is as accurate as possible given the resources and time constraints for a given capture method. To assure the data is of the highest quality PROFIT applies two quality control mechanisms:

1. Multiple Methods of Data Capture: PROFIT does not have unlimited resources, but it does need to capture and analyze large volumes of data from a wide range of sources. As a result, PROFIT uses a range of methods as described above to cost effectively capture tacit and explicit knowledge. For the methods that are used almost daily, PROFIT had to limit the depth and ability to attribute in the collection process in order to assure efficiency. At the same time PROFIT on an ongoing basis reviews and adjusts its daily and monthly tacit collection and tracking report methods. To offset depth and attribution limitations from these methods, PROFIT uses additional explicit methods that include the twice yearly evaluation and the longitudinal impact assessment. While the twice yearly study is not as rigorous as the impact study it does add an important level of depth of knowledge and attribution on a regular basis to tacit and tracking report methods. At the same time, the combination of methods provides ample options for cross referencing knowledge against other sources to filter out anomalies, identify mistakes, and trigger additional investigations. This includes the critically important contextual information obtained from the tacit methods that often explains trends emerging from the explicit methods.
2. Data Audits and On-going Improvement Process: All information captured is reviewed and analyzed against other sources to assure it is reasonable. The audit processes include a monitoring and evaluation position that is responsible for a collecting and aggregating all explicit methods. Through this position, all explicit knowledge is assessed to assure that the methods especially the tracking report and twice yearly evaluation are conducted properly. Tacit processes are also used to audit all information captured through vetting and sharing processes that occur during team meetings, exchanges, and quarterly staff meetings. PROFIT also conducts regular more intensive audits, including an intensive review of the staff collection and sharing processes to assure accuracy and openness (annex 6), and regular reviews of the overall data collection processes focusing on more difficult data sourcing processes including key informants and on-farm production.

The effectiveness of PROFIT's approach is contingent upon the accuracy of the knowledge captured and used to guide intervention decisions. As a result, PROFIT

has structured numerous checks and balances in the collection process, including its multi-methods and data audit structures to assure accuracy of information.

### **SECTION THREE: CONCLUSION**

PROFIT's knowledge management system is core to its approach. Assuring that the information used for decision making is accurate is paramount and drives PROFIT's use of best practice principles to ground all its data collection processes. At the same time, PROFIT has developed innovative ways to cross reference and manage knowledge to meet the needs of its dynamic approach. For example, PROFIT captures quantitative and qualitative information through multiple methods achieving multiple levels of certainty. Further, all data is cross referenced on an on-going basis to constantly hone intervention decisions and improve reporting practices. As a result, PROFIT is able through its knowledge management system to:

- understand quickly opportunities/threats,
- design and adjust appropriate interventions,
- shift responsibility quickly to local private sector actors to assure sustainability, and
- report results and attribution with a relatively high degree of certainty.

## Annex 1 – Required Reporting Indicators and Definitions

#	INDICATOR	PROFIT Interpretation	Source
<b>Trade/Exports related indicators</b>			
1	Value of purchases from smallholders of targeted commodities (domestic agricultural trade)	USAID and non-USAID assisted small-holders in targeted commodities. This covers all the trade that the lead firms conduct with the SHs at local level in the targeted commodities regardless of whether the SHs are under USAID funding or not.  Sectors include: Cotton, honey, horticulture, beef	Cotton: Dunavant, GLCC Honey: Forest Fruits, NWBP, Horticulture: African Spices Beef: Abattoirs Others: expert interviews, industry associations,
<b>Production/Sales/Value Addition related indicators</b>			
2	Value of Food and non Food Agricultural production by USAID supported groups.	Aggregated figure based on quantities of commodities bought by lead firms from SHs. This is the total value of commodities that are produced by the SHs under USAID support and sold to lead firms. This excludes the SHs that are not in USAID supported groups. This figure is less than the figure in indicator #1 virtually.  Sectors include: Cotton, Honey, Horticulture, Beef	Cotton: Dunavant, GLCC Honey: Forest Fruits, NWBP, Beef: Abattoirs, Vets Horticulture: African Spices, Other: Farmer and expert interviews, field reports
3	Value of sales of all goods and services	All goods and services purchased by smallholders. This covers indicator #2 plus services. Goods and services include: Conservation farming, ICT, Vet services, services to input service providers, spraying and tillage services.	Cotton: Dunavant, GLCC, Honey: Forest Fruits, Beef: Abattoirs, Vets Horticulture: African Spices, Other: Farmer and expert interviews and service providers
4	Value of resources derived from sustainable natural resources or conservation initiatives.	Aggregated figure from targeted commodities via purchases from smallholders involved in natural resource products and conservation farming by lead firms. This includes production of honey, cotton produced using conservation farming, handicrafts (AP), tourism (AP), organic production (Kalahari Oils)	Cotton: Dunavant, GLCC, Honey: Forest Fruits, NWBP CF: CFU, Tourism & handicrafts: African Parks, Other: farmer and expert interviews
5	Value of production per unit disaggregated by commodity sector.	Disaggregated figures for each commodity via a calculation of average production per unit (hectare, animal, hive) * prevailing price  Beef: value of total cattle sold/number of cattle sold  Cotton: Average production/ha * average selling price per kg  <u>This information will be collected once a year.</u>	Cotton: Dunavant, GLCC Honey: Forest Fruits, NWBP, Beef: Abattoirs, Horticulture: African Spices, Other: vet, farmer, and expert interviews, bi-annual survey
6	Value of production per client	Disaggregated value The average production per unit of commodity (cotton, honey, red meat, horticulture) per household multiplied by the number of units under production multiplied by prevailing price  Beef: Average # of animals sold per client * Average value of production per unit  Note: value of production per head is indicator number 5.  Cotton: Average production per ha * average selling price per kg * average ha cultivated per household  Where unit = hectare, hive, animal  <u>This information will be collected once a year.</u>	Cotton: Dunavant, GLCC Honey: Forest Fruits, NWBP Beef: Abattoirs Horticulture: African Spices Other: bi-annual survey
7	Gross Margin per unit	Disaggregated value Gross margin for each of the commodities (cotton, honey, red meat, horticulture). To calculate the GMs, the costs of production for each of the targeted commodities must be known as well as their respective prevailing prices  Beef: Average value of production (indicator 5) – average cost of production per animal  Cotton: Average value of production per ha – average cost of production per ha  Therefore GM=Prevailing price – cost of production ( per unit)  <u>This information will be collected once a year.</u>	Cotton: Dunavant, GLCC Honey: Forest Fruits, NWBP Beef: abattoirs, Horticulture: African Spices, Other: vet, farmer, and expert interviews Cost of production: bi-annual surveys
8	Volume of produce processed (t)	This is the disaggregated figure from indicator #2 divided by the selling price.  The commodities include: cotton, honey, red meat and horticulture.	Cotton: Dunavant, GLCC Honey: Forest Fruits, Beef: Abattoirs, Horticulture: African Spices, Livestock: Vets Other: Farmer and expert interviews

Technologies related indicators			
9	Number of clients engaged in improved and/or value added processing and production disaggregated by technology type.	These are numbers of clients using different types of technology. Types of technology: CF, Inputs, vet services, contract production, improved honey production	Cotton: Dunavant, GLCC Honey: Forest Fruits, NWBP Beef: Vets, Horticulture: African Spices Input provider: Cropservice, Croppack, AFGRI, Pannar, MSP Other: farmer and expert interviews
10	Area or number of commodities under improved technologies	# of hectares/commodities using improved technology disaggregated by technology type.  The technologies include CF (ha), vet contract/herd management (hd), contract production (ha), improved honey production (hives), input products and services (ha).	Cotton: Dunavant, GLCC, Honey: Forest Fruits, NWBP, Livestock: Vets Input providers: Cropservice, Croppack, AFGRI, Pannar, MSP Other: Farmer and expert interviews
11	Improved technology adoption rate.	Disaggregated figures for each technology type via a calculation of indicator #9/number of PROFIT clients (potential adopters).  This will be done once a year or can be tracked quarterly. o For CF, the calculation will be based on % of farmers using CF divided by the # of farmers trained in CF o For vet, # of farmers getting HHP and non-HHP services divided by # attending promotional event o For contract production, the calculation will be based on the # of farmers that stay on the contracts during the season compared to the previous season o For honey, the calculation will be # beekeepers on contract during the season compared to previous season o For ag-input, calculation will be based on # of farmers purchasing inputs divided by the # of farmers attending promotions	Cotton: Dunavant, GLCC, Honey: Forest Fruits, NWBP, Livestock: Vets Input providers: Cropservice, Croppack, AFGRI, Pannar, MSP Other: Farmer, expert interviews, and field reports
12	Number of hectares under biodiversity conservation.	Same as for the conservation farming	Cotton: Dunavant, GLCC Input provider: Cropservice, Croppack, AFGRI, Pannar, MSP Other: Farmer and expert interviews
13	Number of hectares under managed natural resource production systems	Still needs to be clarified by USAID	Nil
Finance related indicators			
14	Value of finance/capital accessed by USAID assisted groups (borrowers)?	This includes the loans that the USAID assisted smallholders get from lead firms e.g. from Dunavant, GLCC, and Forest Fruits.  Includes: bank loans, PROFIT leasing of motorbikes, etc.	Cotton: Dunavant, GLCC Input provider: Cropservice, Croppack, AFGRI, Pannar, MSP finance organizations: ZANACO, MFIs Beef: Vets, Other: farmer, and expert interviews
15	Number of loans by USAID assisted institutions disaggregated by gender	The figures will have to be collected from lead firms.  Lead firms such as Dunavant and GLCC will need to be asked for us to obtain these figures	Cotton: Dunavant, GLCC Input provider: Cropservice, Croppack, AFGRI, Pannar, MSP Finance organizations: ZANACO, MFIs Beef: Vets Other: farmer, and expert interviews
16	Percentage of the number of loans on schedule for repayment	This % will be based on the repayment figures of loans given out by lend firms (Same as indicator #18)	Cotton: Dunavant, GLCC Input provider: Cropservice, Croppack, AFGRI, Pannar, MSP Finance organizations: ZANACO, MFIs Beef: Vets Other: farmer, and expert interviews
17	Value of loans by USAID assisted institutions disaggregated by gender (lenders)?	This indicator covers all loans given out by lead firms such as Dunavant and Great Lakes and all the microfinance institutions (MFIs). These will include ZANACO loans.  It is indicator #14 disaggregated by gender (male/female) borrowers.	Cotton: Dunavant, GLCC, Input provider: Cropservice, Croppack, AFGRI, Pannar, MSP Finance organizations: ZANACO, MFIs, Beef: Vets Other: Farmer, and expert interviews
18	Percentage of the value of the lending portfolio on schedule for repayment	The figures for this indicator will come primarily from the records of lending firms records (same as indicator #16)	Cotton: Dunavant, GLCC Input providers: Cropservice, Croppack, AFGRI, Pannar, MSP Finance organizations: ZANACO, MFIs Beef: Vet, Other: Farmer, and expert interviews
BDS related indicators			
19	Number of clients/entrepreneurs receiving BDS disaggregated by category e.g. smallholder farmers, agribusiness firms	Two levels of training: smallholders (SHs) and agribusinesses  a) SHs-This is the cumulative figure of all smallholders in the following categories: o All SHs trained through promotions o CF trainings o Cotton trainings o Honey trainings o High Value Crop trainings  b) Agribusiness-This will include the vet and ag-input trainings by tillage service providers and lead firms (Cropservice, Croppack, MRI, Pannar, Syngenta, AFGRI, MSP, Dunavant, GLCC, Forest Fruits, NWBP, African Spices)	Cotton: Dunavant, GLCC, Honey: Forest Fruits, NWBP Finance organizations: ZANACO, MFIs, Input providers: Cropservice, Croppack, AFGRI, Pannar, MSP Beef: Vets Other: Farmer, and expert interviews and field Reports
20	Number of farmers reached with extension/outreach services	This covers all the farmers that have been reached with extension services except for beekeepers. This is essentially all SHs that PROFIT is working with, except for beekeepers. (Beekeepers in these indicators are not classified as farmers)	Cotton: Dunavant, GLCC Honey: Forest Fruits, NWBP Input provider: Cropservice, Croppack, AFGRI, Pannar, MSP Finance organizations: ZANACO, MFIs, Beef: Vets, Other: Farmer, and expert interviews
21	Number of people reached with HIV/AIDS A & B outreach programs	# of farmers outreached by HIV/AIDS programmes	New firm taking over this activity
Policy related indicators			
22	Number of policy areas worked on or affected if	This will include new work – pharmacy law	Pharmaceutical Society of Zambia
23	Policy progress milestones – Analysis, debate, submission, approval and implementation	This will include new work – pharmacy law	Pharmaceutical Society of Zambia
Training related indicators (disaggregate by gender)			
24	Number of people trained in	• Ag production: same as #20	Cotton: Dunavant, GLCC, Honey: Forest Fruits, NWBP Input Provider: Cropservice, Croppack, AFGRI, Pannar, MSP Beef: vets Other: farmer, and expert interviews
	Agricultural production	• Private sector growth - aggregated under Agribusiness (#19)	
	Private sector growth	• Natural resource Management and Conservation – all honey	
	Natural resource Management and Conservation		

## USAID OPERATING PLAN INDICATORS

<b>USAID Operating Plan Indicators</b>
<b>2.2 Trade and Investment Capacity</b>
1. Number of events held that provide training on topics related to improving the trade and investment capacity building. <ul style="list-style-type: none"> <li>▪ Function of the number of training and promotional events held by vets, input providers, third party service providers (spray and tillage), and direct PROFIT-USAID technical training events.</li> </ul>
2. Number of capacity building service providers receiving USG assistance. <ul style="list-style-type: none"> <li>▪ Function of the number of third party spray and tillage service providers, and input providers.</li> </ul>
3. Number of firms receiving capacity building assistance to export. <ul style="list-style-type: none"> <li>▪ This number is a function of those involved in the cotton, honey, essential oils, and chillis.</li> </ul>
4. Number of participants in USG supported trade and capacity building trainings <ul style="list-style-type: none"> <li>▪ Function of the number of participants who are tied into any direct and indirect PROFIT technical assistance training.</li> </ul>
5. Total value of exports in targeted sectors in which firms are receiving USG assistance to increase their exports. <ul style="list-style-type: none"> <li>▪ Function of the value of the cotton crop + any other export crop.</li> </ul>
<b>3.2 Financial Services</b>
1. Number of financial sector professionals trained in international standards (male/female)
2. Number of USG supported special funds loans issued this year. <ul style="list-style-type: none"> <li>▪ Function of the number of cotton growers receiving value chain finance + oils and tractor leases.</li> </ul>
3. Value of USG supported special funds loans issued this year. <ul style="list-style-type: none"> <li>▪ Function of the total value of the loans issued to recipients in 3.2.2</li> </ul>
<b>5.2 Private Sector Productivity</b>
1. Number of firms with improved management practices as a result of USG assistance <ul style="list-style-type: none"> <li>▪ Function of the number of vets, inputs agents and dealers, third party spray and tillage service providers and cotton growers with improved management practices.</li> </ul>
2. Number of firms investing in improved technology as a result of USG assistance <ul style="list-style-type: none"> <li>▪ Function of the number of input agents, third party spray and tillage investing in improved technology.</li> </ul>
3. Number of SMEs that successfully accessed bank loans or private equity as a result of USG assistance. <ul style="list-style-type: none"> <li>▪ Inclusive of the value chain finance as noted above in 3.2.2</li> </ul>
<b>6.2 Agricultural Sector output</b>
1. Number of additional hectares under improved technologies or management practices as a result of USG assistance.

<ul style="list-style-type: none"> <li>▪ Function of the number of farmers purchasing third party services in spray and till, general seed and ag- input sales.</li> </ul>
<p>2. Number of rural households benefiting directly from USG interventions.</p> <ul style="list-style-type: none"> <li>▪ Function of the number from 5.2.1 + SMS and market linkages (honey, dairy) between lead firms and these households and trade fairs.</li> </ul>
<p>1. Number of agriculture related firms benefiting directly from interventions as a result of USG assistance.</p> <ul style="list-style-type: none"> <li>▪ Function of the number of lead firms, vets, all input agents and third party service providers.</li> </ul>
<p>4. Number of individuals who have received short term agricultural sector productivity training with USG assistance.</p> <ul style="list-style-type: none"> <li>▪ Refer back to the number of individuals (male/female) from 2.2.4</li> </ul>
<p><b>7.3 Strengthen Micro-enterprise Productivity</b></p>
<p>1. Number of micro-enterprises participating in USG assisted value chains</p> <ul style="list-style-type: none"> <li>▪ Function of the total number of individuals participating in cotton, oils, honey, and chillis.</li> </ul>
<p>2. Number of micro-enterprises receiving business development services from USG assisted sources.</p> <ul style="list-style-type: none"> <li>▪ Function of the number farmers participating in direct and indirect (via third party providers, lead firms etc.) training via the project.</li> </ul>
<p><b>8.1 Natural Resources and Biodiversity</b></p>
<p>1. Number of people trained in natural resources management and/or biodiversity conservation as a result of USG assistance.</p> <ul style="list-style-type: none"> <li>▪ Function of the number of people directly involved in CF and honey technical training.</li> </ul>

## **Annex 2 – Detailed Industry Pathway Observations**

To track whether behavior change is happening in a sustainable way PROFIT actively fosters shifts in systemic incentives to support critical behavior change. To determine if these shifts in incentives are becoming institutionalized PROFIT reworked its expected observations based on three systemic characteristics that are interrelated and crucial to an industry's ability to compete over time. These three characteristics are:

1. Relationships. Relationships that are more transparent, longer-term, and focused on industry level goals are critical to an industry's ability to respond and adapt to the dynamic nature of demand. Incentives that foster win-win relationships provide the foundation on which Industries can push knowledge and skills from where they are located to where they need to be within the broader industry system.
2. Learning and innovation. Learning and innovation happen only when incentives are in place to encourage firms to invest in learning and/or risk adapting innovations. When learning and innovation are an integral part of an industry's norms that industry's competitive position is more likely to be maintained over time.
3. Benefits. Benefits accrue in terms of incomes, social status and reduced risks. For an industry to establish a competitive position and then maintain it, benefits must be sufficient enough to provide incentives to change behavior patterns such that actors take on new risks, take on new types of relationships, change the nature of their commercial relationships, and embrace learning and innovation as the foundation of how the compete.

As a result, PROFIT laid out expected observations categorized by these three characteristics. PROFIT also tracks expected observations based on improving capacity of key actors.

## Input Market Pathway

	Demonstration/Buy Down Risk			Scale up and Exit		Competitive industry	
<b>Innovations</b>	<ul style="list-style-type: none"> <li>In-Community Promotional Events (IPEs) delivered</li> </ul>	<ul style="list-style-type: none"> <li>Sprayer Service, introduced during IPEs</li> <li>Pre-paid purchasing mechanism with SH market</li> <li>Contracts between Input Providers (IPs) and agents</li> </ul>	<ul style="list-style-type: none"> <li>Bundling of services and products</li> <li>3<sup>rd</sup> party service provision linked to OutGrower Schemes (OGSs)</li> <li>IPs actively promoting tillage services</li> </ul>	<ul style="list-style-type: none"> <li>IPs test ICT tools to promote services/products, improve business efficiency</li> <li>Promotional activities linked w/ social events</li> <li>IPs conduct performance reviews with agents</li> <li>OGSs integrate 3<sup>rd</sup> party services</li> </ul>	<ul style="list-style-type: none"> <li>IPs responding to needs of SH market by introducing new products and services</li> <li>Direct competition between agents/IPS</li> <li>IPs widely adopt use of ICTs to promote services/products</li> </ul>	<ul style="list-style-type: none"> <li>Input services and products delivered based on conservation farming technique</li> <li>Direct competition between IPs in same area</li> <li>SH have choice of IPs to choose from</li> </ul>	<ul style="list-style-type: none"> <li>Rural communities acting as hub for agent network extension for multiple IPs</li> <li>Competition in IP market driven by innovation and on-going upgrading</li> </ul>
<b>Relationships</b>	<ul style="list-style-type: none"> <li>Emerging IP/Community relationships in various locations</li> <li>IPs works with Agents</li> </ul>	<ul style="list-style-type: none"> <li>IPs works with SSP and Tillage Service Providers (TSPs)</li> <li>IPs formalise relationships with agents, and Spraying Service Providers (SSPs) through contracts</li> <li>Strengthening IP/Community relationships through agents and SSP, TSP</li> </ul>	<ul style="list-style-type: none"> <li>IP/Community relationships strengthened</li> <li>TSPs and IPs formalised through contracts</li> <li>New relationship initiated between OGSs and 3<sup>rd</sup> party service providers</li> <li>TSPs reaches broader network of clients</li> <li>Disputes resolved with PROFIT assistance</li> </ul>	<ul style="list-style-type: none"> <li>OGS and 3<sup>rd</sup> party service providers working together</li> <li>IPs /SPs self-managed</li> <li>SHs consider IPs to be solution provider</li> </ul>	<ul style="list-style-type: none"> <li>OGSs develop strategic alliances with IPs</li> <li>Self-managed relationships between SPs and OGSs</li> <li>OGS preferring certified sprayers</li> <li>SH: actively communicates with SP, IP OGS on needs</li> <li>Disputes resolved via 3<sup>rd</sup> party mediator</li> </ul>	<ul style="list-style-type: none"> <li>IPs seen as as solution provider</li> <li>IPs and OGSs working together to overcome joint constraints</li> <li>Open and transparent communications between all parties</li> <li>Strategic relationships continue to develop between all players</li> <li>IP, SP and SH improve communication through ICT</li> </ul>	<ul style="list-style-type: none"> <li>SH production management moving to more commercial and formal</li> <li>IPs help link SHs to output markets</li> <li>IP market has wide ranging and robust network of relationships reliant on industry growth</li> </ul>

	Demonstration/Buy Down Risk			Scale up and Exit		Competitive industry	
<b>Types/Flow of Benefits</b>	<ul style="list-style-type: none"> <li>○ IP gains access to new market/increased sales</li> <li>○ IP understands of needs of community and can tailor products/promotions</li> <li>○ IP generate sales through IPE</li> <li>○ Agents help IP reach community</li> <li>○ Community: access products at more affordable price</li> </ul>	<ul style="list-style-type: none"> <li>○ IPs increase sales through pre-paid, bulk sales organised by agents</li> <li>○ SHs in broader areas gain improved access to services</li> <li>○ SSPs/TSPs – increased knowledge and opportunity for income</li> </ul>	<ul style="list-style-type: none"> <li>○ SSPs generate income from sales</li> <li>○ IPs increased revenue through bundling of services</li> <li>○ Farmers and Agent Improve knowledge through CF trainings</li> <li>○ SHs improve crop management through purchase of sprayer service</li> </ul>	<ul style="list-style-type: none"> <li>○ IPs and SPs access financial services</li> <li>○ IPs increased sales through broader agent networks</li> <li>○ IP increase sales during post harvest season by bundling services</li> <li>○ SH: increased production through improved access to products and services ( quality, consistency)</li> <li>○ OGS: Improved production through use of 3<sup>rd</sup> party services</li> <li>○ Increased TS sales</li> </ul>	<ul style="list-style-type: none"> <li>○ Agent networks widespread</li> <li>○ Certified SPs generate sustainable income from service provision</li> <li>○ Increasing % of certified sprayer service sales from SH market</li> <li>○ SH have widespread access to products and 3<sup>rd</sup> party services</li> <li>○ SH: improved production, improved farming techniques</li> <li>○ OGS: improved production (quality, consistency)</li> <li>○ Business efficiency improved through use of ICTs</li> </ul>	<ul style="list-style-type: none"> <li>○ SH widespread access products and services</li> <li>○ SH yields reach minimal international averages</li> <li>○ SH soil quality is stabilized</li> </ul>	<ul style="list-style-type: none"> <li>○ IP: sustainable market growth/growth in business</li> <li>○ SH: increase income</li> <li>○ SH production increasing % of agricultural output</li> <li>○ SH market stratifies into wider range of commodity and differentiated production</li> </ul>

	Demonstration/Buy Down Risk			Scale up and Exit		Competitive industry	
<p><b>Capacity</b></p> <p><i>Move from high PROFIT support to no PROFIT support</i></p> <p><b>PROFIT Mon</b></p>	<p><b>IPs</b></p> <p><i>Marketing &amp; Sales</i></p> <ul style="list-style-type: none"> <li>Delivering In community promotions (High PROFIT)</li> </ul>	<p><b>IPs</b></p> <p><i>Marketing &amp; Sales</i></p> <ul style="list-style-type: none"> <li>Delivering In community promotions (Med/Low PROFIT)</li> </ul> <p><i>HR</i></p> <ul style="list-style-type: none"> <li>IP leading training (SSP and TSP) (High PROFIT support)</li> </ul> <p><i>Business Management</i></p> <ul style="list-style-type: none"> <li>Strategic planning (High PROFIT support)</li> <li>Contract signing with agents, service providers</li> </ul> <p><b>SH</b></p> <ul style="list-style-type: none"> <li>Bulks together orders and prepays</li> </ul>	<p><b>IPs</b></p> <p><i>Marketing &amp; Sales</i></p> <ul style="list-style-type: none"> <li>Delivering In community promotions (NO PROFIT)</li> <li>Bundling of services (Med PROFIT)</li> </ul> <p><i>HR</i></p> <ul style="list-style-type: none"> <li>Agents trained in CF</li> </ul> <p><i>Business Management</i></p> <ul style="list-style-type: none"> <li>Strategic planning (Med/Low PROFIT support)</li> <li>Contract signing (No PROFIT)</li> </ul> <p><b>SH</b></p> <ul style="list-style-type: none"> <li>Bulks together orders and prepays</li> </ul>	<p><b>IPs</b></p> <p><i>Marketing &amp; Sales</i></p> <ul style="list-style-type: none"> <li>Market activities (promotions, bundling) without PROFIT)</li> <li>Strategic marketing ( seasonality, social events in community) (without PROFIT)</li> </ul> <p><i>HR</i></p> <ul style="list-style-type: none"> <li>Conservation Farming (CF) training carried out by IP ( NO PROFIT support)</li> <li>All training and testing o agents and SPs (No PROFIT)</li> <li>Conducting regular performance review (with PROFIT)</li> </ul> <p><i>Business Management</i></p> <ul style="list-style-type: none"> <li>Strategic Planning (Limite/No PROFIT support)</li> <li>Forecasting and Accounting ( High PROFIT support)</li> </ul> <p><b>OTHER</b></p> <ul style="list-style-type: none"> <li>Accesses Financial services ( High PROFIT support)</li> <li>OGS and IP improving extension work with SH ( Limited/NO PROFIT support)</li> <li>OGS improving management capacity with PROFIT support</li> </ul>	<p><b>IPs</b></p> <p><i>Marketing &amp; Sales</i></p> <ul style="list-style-type: none"> <li>IPs leading all market activities</li> <li>Continues to use strategic marketing (seasonality, social events in community)</li> </ul> <p><i>HR</i></p> <ul style="list-style-type: none"> <li>CF training carried out by IPs</li> <li>IPs manage agent networks to compete with other networks</li> </ul> <p><i>Business Management</i></p> <ul style="list-style-type: none"> <li>Strategic Planning (Limite/No PROFIT support)</li> <li>Accurate forecasting and Accounting ( No PROFIT support)</li> <li>IP OGF relationship self managed</li> </ul> <p><b>SH</b></p> <ul style="list-style-type: none"> <li>Communicating needs with IPs</li> <li>Chooses between various IPs</li> <li>Demonstrating good consumer behaviour</li> </ul> <p><b>OTHER</b></p> <ul style="list-style-type: none"> <li>OGS and IPs improving extension work with SH</li> <li>OGF strong management capacity (No PROFIT Support)</li> </ul>	<p><b>IPs</b></p> <ul style="list-style-type: none"> <li>Managing all Marketing, Sales, HR, and Business Management Activities</li> <li>New Relationships are identified and managed by firms</li> <li>Widespread delivery of products and services via CF</li> </ul> <p><b>SH</b></p> <ul style="list-style-type: none"> <li>Improved production</li> <li>Active consumer behaviour</li> </ul>	<ul style="list-style-type: none"> <li>SH choose services based on standards and return on investment</li> </ul>

## Cotton Industry Pathway

	Demonstration/Buy Down Risk			Scale up and Exit		Competitive Industry	
<b>Innovations</b>	<ul style="list-style-type: none"> <li>○ Lead firms identified for leveraging industry competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>○ OGFs integrate 3<sup>rd</sup> party services</li> </ul>	<ul style="list-style-type: none"> <li>○ OGSs test ICT tools to improve management efficiency</li> <li>○ OGS move to preferred supplier tactics with SH</li> <li>○ Strategic alliances between OGSs and IPs</li> </ul>	<ul style="list-style-type: none"> <li>○ Products and services delivered via CF techniques</li> </ul>	<ul style="list-style-type: none"> <li>○ Product differentiation based on SH characteristics (organic, fair trade, etc)</li> <li>○ SH accessing exchange and warehouse receipt services</li> </ul>	<ul style="list-style-type: none"> <li>○ Majority (&gt;50%) of SH production entering transparent commercial channels</li> </ul>	<ul style="list-style-type: none"> <li>○ Competition in crop/hort industries driven by innovation and on-going upgrading</li> </ul>
<b>Relationships</b>	<ul style="list-style-type: none"> <li>○ OGSs work with broad base of SH suppliers</li> </ul>	<ul style="list-style-type: none"> <li>○ OGSs begin to work with 3<sup>rd</sup> party service providers</li> </ul>	<ul style="list-style-type: none"> <li>○ OGSs develop strategic alliance with IPs and 3<sup>rd</sup> party service providers</li> <li>○ OGS s shift to preferred supplier tactics to build SH relationships</li> </ul>	<ul style="list-style-type: none"> <li>○ OGSs and IPs/3<sup>rd</sup> party SPs relationships self managed</li> </ul>	<ul style="list-style-type: none"> <li>○ SH/OGS relationship not contingent on price only</li> <li>○ OGSs working with each other to address industry wide constraints</li> <li>○ Multi-season contracts w/ SH</li> <li>○ Disputes addressed using 3<sup>rd</sup> party services and prior to civil action</li> <li>○ OGSs and SH relationships based on preferred supplier tactics</li> </ul>	<ul style="list-style-type: none"> <li>○ Open and transparent relationships between OGSs, IPs, SPs and SHs</li> </ul>	<ul style="list-style-type: none"> <li>○ Crop/hort industries have wide ranging and robust networks of relationships reliant on industry growth, inclusive of SHs</li> </ul>

	Demonstration/Buy Down Risk			Scale up and Exit		Competitive Industry	
<b>Types/Flow of Benefits</b>		<ul style="list-style-type: none"> <li>○ Increasing % of IP sales coming from SH market</li> <li>○ Increasing % of IP SH sales coming from services</li> </ul>	<ul style="list-style-type: none"> <li>○ OGSs improve efficiency of production through accessing IP services/products</li> <li>○ SH receive improved access to crop management services</li> </ul>	<ul style="list-style-type: none"> <li>○ OGSs prefers certified sprayers</li> <li>○ Access to financing</li> </ul>	<ul style="list-style-type: none"> <li>○ SH access to input products/services widespread</li> <li>○ SH link to OGSs</li> <li>○ Industry productivity increases at farm and processor levels</li> <li>○ OGSs and SH sign multi year contracts</li> </ul>	<ul style="list-style-type: none"> <li>○ SH % of commercial crop increasing</li> <li>○ SH production increasing % of commodity exchange volume</li> <li>○ SH production increasing % of certified warehouse volumes</li> </ul>	<ul style="list-style-type: none"> <li>○ Unit cost of production from input to end market reduced</li> <li>○ Industry sales increasing SH income via crop production increase</li> </ul>
<b>Capacity</b>	<p><b>OGF</b></p> <ul style="list-style-type: none"> <li>○ HR</li> <li>○ Improve internal Management (High PROFIT support)</li> </ul> <p><i>Business Management</i></p> <p>Assess strategic Direction with PROFIT</p>	<p><b>OGF</b></p> <p><i>Business Management</i></p> <ul style="list-style-type: none"> <li>○ OGSs integrate 3<sup>rd</sup> party services (High PROFIT support)</li> </ul>	<p><b>OGF</b></p> <p><i>Business Management</i></p> <ul style="list-style-type: none"> <li>○ Leverage ICT tools ( High PROFIT support)</li> <li>○ Manage third party services (without PROFIT)</li> <li>○ Relationship management between OGF and IP ( PROFIT supported)</li> <li>○ Preferred supplier tactics with SH (PROFIT supported)</li> </ul>	<p><b>OGF</b></p> <ul style="list-style-type: none"> <li>○ Managing relationships with IP (w/out PROFIT)</li> <li>○ Manage preferred supplier tactics with SH ( with PROFIT)</li> <li>○ Improve extension services with SH to reinforce improved productivity (PROFIT support)</li> <li>○ Accessing commercial/alternative financing (PROFIT support)</li> <li>○ OGSs working together to overcome joint industry constraints (PROFIT supported)</li> <li>○ OGS adopting ICT for improved management</li> <li>○ Service providers using CF techniques</li> </ul> <p><b>SH</b></p> <ul style="list-style-type: none"> <li>○ Improved production management – more commercial and formal</li> <li>○ Using ICT tools</li> <li>○ Adopting CF techniques</li> </ul>	<p><b>OGF</b></p> <ul style="list-style-type: none"> <li>○ Working with other OSFs to overcome joint constraints</li> <li>○ Managing preferred supplier relationships w/ SH</li> <li>○ Improve extension services with SH to reinforce improved productivity</li> <li>○ OGSs accessing commercial/alternative financing</li> <li>○ Product differentiation (PROFIT support)</li> </ul>	<ul style="list-style-type: none"> <li>○ All business activities self managed</li> <li>○ Product differentiation self-managed</li> <li>○ SH and OGSs managing all activities, relationships</li> </ul>	<ul style="list-style-type: none"> <li>○ All relationships self managed by OGFs, IPs and SHs</li> <li>○ SH accessing finance through warehouse receipts</li> <li>○ Product differentiation self-managed</li> <li>○ Industry sales increasing and SH production increasing % of certified warehouse volumes</li> </ul>

## Vet Market Pathway

	Demonstration/Buy Down Risk			Scale up and Exit			Competitive industry	
<b>Innovation and Learning</b>	<ul style="list-style-type: none"> <li>○ Multiple vets interested in entering into SH market</li> </ul>	<ul style="list-style-type: none"> <li>○ Contracts</li> <li>○ In community promotions</li> <li>○ CLWs hired trained and on contract</li> </ul>	<ul style="list-style-type: none"> <li>○ Identify agents</li> <li>○ Vets invest in building all 3 lines of business: HHP, Drug sales and one-off services</li> <li>○ Vets works to improve business acumen</li> <li>○ Vet network developed</li> </ul>	<ul style="list-style-type: none"> <li>○ Vets expanding geographical reach</li> <li>○ Multiple Young Vets are hired to support business expansion</li> <li>○ Multiple Vets test/promote productive services (ex. Fattening, AI)</li> <li>○ Community investing in infrastructure</li> <li>○ Vets working with suppliers and service providers to improve efficiency</li> <li>○ Government takes on more strategic role: decrease service delivery, increased oversight, move to facilitative and coordination role</li> <li>○ Suppliers pharma and vet equipment companies directly targeting vets</li> </ul>	<ul style="list-style-type: none"> <li>○ Direct competition between vets in same area</li> <li>○ Multiple vets investing in advertising to SH market</li> <li>○ CLW and HHP standards developed – supported by vets, vet lab and government</li> <li>○ Vet network enforces standards with non-complying vets</li> <li>○ Vets invest in vet-lab services</li> <li>○ Multiple Vet business accesses commercial finance services (insurance and loans)</li> <li>○ ICT service providers targeting vets</li> <li>○ Vet equipment suppliers targeting vets</li> <li>○ Suppliers (Pharma, Feedfirms) targeting vets to access SH market</li> <li>○ Disease control mechanisms inclusive of private vets in place</li> </ul>	<ul style="list-style-type: none"> <li>○ Management services (finance, accounting) target vets as new market</li> <li>○ Direct competition between vets drive innovation</li> <li>○ University incorporates business studies in curriculum</li> <li>○ New vets entering into market</li> <li>○ SH investing in vet services to increase productivity</li> <li>○ Recruitment firms targeting vets</li> </ul>	<ul style="list-style-type: none"> <li>○ Competition in vet services market driven by innovation and on-going upgrading</li> </ul>	

	Demonstration/Buy Down Risk			Scale up and Exit		Competitive industry	
<b>Relationships</b>	<ul style="list-style-type: none"> <li>○ Vets and community enter into new relationship</li> </ul>	<ul style="list-style-type: none"> <li>○ Formalised relationships between vet and community through contracts</li> <li>○ Formalised relationships between CLW and Vet</li> </ul>	<ul style="list-style-type: none"> <li>○ Vets expands relationships w/ agents</li> <li>○ Community sees vet as solution provider</li> <li>○ Disputes resolve with PROFIT support</li> </ul>	<ul style="list-style-type: none"> <li>○ SHs see Vets as solution provider</li> <li>○ Strategic relationships between vets and suppliers</li> </ul>	<ul style="list-style-type: none"> <li>○ Strategic alliances with vet suppliers, service providers on going</li> <li>○ Vets and VetLab has strong reinforcing relationship</li> <li>○ Vet Network strengthens voice to represent vet industry</li> <li>○ Government commits to strategic oversight role for industry</li> </ul>	<ul style="list-style-type: none"> <li>○ Long term vets/Community relationships; educating each other on needs and interests</li> <li>○ Vets work together to overcome joint constraints</li> <li>○ University supporting development of private vets</li> </ul>	<ul style="list-style-type: none"> <li>○ Vet services market has wide ranging and robust network of relationships reliant on industry growth</li> </ul>

	Demonstration/Buy Down Risk			Scale up and Exit		Competitive industry	
<b>Benefits</b>	<ul style="list-style-type: none"> <li>○ Vet industry: New market opportunity</li> <li>○ SHs Improved access to livestock services</li> </ul>	<ul style="list-style-type: none"> <li>○ Vets: Increase in sales to SH community through signed and prepaid contracts</li> <li>○ Vets: stronger understanding of SH through in community promotions and ongoing market research</li> <li>○ Transparent terms for transaction through contract</li> <li>○ Improved service delivery through CLW network</li> <li>○ SHs gain access to preventative vet services through HHP</li> <li>○ Increased SH: seeing initial animal health benefits</li> </ul>	<ul style="list-style-type: none"> <li>○ Vets: business growth through increased HHP sales: more animals on HHP contracts, more SH joining</li> <li>○ Vets: Growth in vet businesses through drug sales and one off services and more stable income</li> <li>○ Renewed contracts provides stability to vet (income) and SH (of services)</li> <li>○ SHs: Improved animal health ( measured through renewed contracts)</li> </ul>	<ul style="list-style-type: none"> <li>○ Multiple Vets see increasing income from HHP and services/drugs</li> <li>○ Vets: Services broadening geographical reach</li> <li>○ Voice of private vet industry strengthened through Vet Network</li> <li>○ SHs: better service delivery of vet services</li> <li>○ SHs purchasing HHP experience decreased morbidity and mortality of animals</li> <li>○ Government has more strategic role</li> </ul>	<ul style="list-style-type: none"> <li>○ Private vet industry serving larger SH market (geography and number of animals)</li> <li>○ VetLab business growing through Vets</li> <li>○ Standards reinforces private vet service delivery</li> <li>○ Vets improve quality of service through use of VetLab services</li> <li>○ Increased veterinary services through young vet program - more vets entering into private sector market</li> <li>○ Vets grow business through offering of AI and fattening services</li> <li>○ Improved rural infrastructure through investments made by SH</li> <li>○ SH: access to consistent and quality standardized services</li> <li>○ SH: gaining access to improved production services ( AI, Fattening) being offered through vets</li> <li>○ SH: accessing information more easily via ICT</li> <li>○ Vet industry suppliers (pharma, feedfirms) gain access to new market through vets</li> </ul>	<ul style="list-style-type: none"> <li>○ SHs buying vet services increase herd productivity – offtake and calving rates</li> <li>○ Increase in access and choice of vet services for SH</li> <li>○ Vets leveraging knowledge to expand to new communities</li> <li>○ Pool of qualified vets for private service delivery</li> <li>○ SH demand Standardized services</li> <li>○ SH improve overall heard health able to see income generating activity</li> <li>○ Government play strategic role ( Coordinator, oversight, facilitator) for vet services</li> </ul>	<ul style="list-style-type: none"> <li>○ Widely promoted and enforced standards increase service delivery support, improve overall animal health.</li> <li>○ SHs buying vet services increase income from cattle</li> <li>○ National herd stabilized and growing based on commercial management</li> </ul>

	Demonstration/Buy Down Risk			Scale up and Exit		Competitive industry	
Capacity and Skills	<p><b>Vets</b></p> <p><b>Marketing and Sales</b></p> <ul style="list-style-type: none"> <li>Market research (High PROFIT support)</li> <li>Develop HHP terms, service conditions</li> </ul> <p><b>Communities</b></p> <ul style="list-style-type: none"> <li>Organised into group purchase, self managed</li> </ul>	<p><b>Vets</b></p> <p><b>Marketing and Sales</b></p> <ul style="list-style-type: none"> <li>Managing CLWs activities and contracts</li> </ul> <p><b>HR</b></p> <ul style="list-style-type: none"> <li>Training and certifying CLW ( High PROFIT support)</li> </ul> <p><b>Management</b></p> <ul style="list-style-type: none"> <li>Contract management (Med PROFIT support)</li> </ul> <p><b>Communities</b></p> <p>Understands contracts and responsibilities ( Medium PROFIT support)</p>	<p><b>Vets</b></p> <p><b>Marketing and Sales</b></p> <ul style="list-style-type: none"> <li>Actively marketing products and services (Limited/NO PROFIT support)</li> </ul> <p><b>HR</b></p> <ul style="list-style-type: none"> <li>Training and certifying CLW ( Med/Low PROFIT support)</li> </ul> <p><b>Management</b></p> <ul style="list-style-type: none"> <li>Contract Management ( No PROFIT)</li> <li>Developing strategic relationships</li> <li>Strategic planning to build all lines of business: HHP, Drug sales and one off services ( Med PROFIT support)</li> <li>Financial management activities – consistent record books, accounting, forecasting (High PROFIT support)</li> <li>Leveraging opportunity with vet network to learn and share information ( High PROFIT support)</li> </ul> <p><b>Communities</b></p> <ul style="list-style-type: none"> <li>Negotiating contracts ( Low/Limited PROFIT support)</li> </ul>	<p><b>Vets</b></p> <p><b>Marketing and Sales</b></p> <ul style="list-style-type: none"> <li>On-going Marketing of products and services</li> </ul> <p><b>HR</b></p> <ul style="list-style-type: none"> <li>Training and certifying CLW ( NO PROFIT support)</li> <li>Developing CLW standards (Med/PROFIT support)</li> </ul> <p><b>Management</b></p> <ul style="list-style-type: none"> <li>Strategic planning to build all lines of business( limited PROFIT support)</li> <li>Accounting and forecasting (limited/NO PROFIT support)</li> </ul> <p><b>Communities</b></p> <ul style="list-style-type: none"> <li>Choosing vets</li> </ul>	<p><b>Vets</b></p> <p><b>Marketing and Sales</b></p> <ul style="list-style-type: none"> <li>On-going Marketing of products and services (NO PROFIT support)</li> </ul> <p><b>HR</b></p> <ul style="list-style-type: none"> <li>Continuous training of young vets; identifies and addresses business needs ( NO PROFIT support)</li> </ul> <p><b>Management</b></p> <ul style="list-style-type: none"> <li>Strategic planning, accounting and financial forecasting (NO PROFIT support)</li> <li>Enforcing standards</li> </ul> <p><b>Communities</b></p> <ul style="list-style-type: none"> <li>Open communication with vets</li> <li>driving own negotiation</li> <li>educating vet industry on needs and interests</li> <li>Choosing vets</li> <li>Resolving disputes on own</li> </ul> <p><b>Other</b></p> <ul style="list-style-type: none"> <li>University prepares vet graduates in business skills</li> <li>Vetlab able to enforce standards</li> <li>Government enforces standards</li> </ul>	<ul style="list-style-type: none"> <li>Vets managing profitable businesses</li> <li>SH managing herd for commercial purposes</li> <li>Graduating vets are equipped with business skills to enter into private market</li> </ul>	<ul style="list-style-type: none"> <li>SH choose services based on standards and return on investment</li> </ul>

## BEEF Industry Pathway

	Demonstration/Buy Down Risk			Scale up and Exit			Competitive Industry	
<b>Innovation and Learning</b>	<ul style="list-style-type: none"> <li>○ abattoirs testing SH as formal suppliers</li> <li>○ SH trying improved production services ( AI, Fattening)</li> <li>○ Use of weight scales and weight belts</li> </ul>	<ul style="list-style-type: none"> <li>○ Contracts between abattoirs and SH</li> <li>○ SH contests for prize cattle at ZNFU trade shows</li> </ul>	<ul style="list-style-type: none"> <li>○ Abattoirs purchasing from SH institute transparent grade and standards</li> <li>○ Auction services tested</li> <li>○ SH investing in infrastructure</li> <li>○ Certification of transportation</li> </ul>	<ul style="list-style-type: none"> <li>○ Abattoirs establishing quasi-outgrower schemes w/ SH production</li> <li>○ Disease control mechanisms inclusive of Private vets established</li> <li>○ SH accessing financial services (insurance, loans)</li> <li>○ Feed firms see SH as growing market for products</li> <li>○ SH using certified transporters</li> </ul>	<ul style="list-style-type: none"> <li>○ Abattoirs increasing % purchases from SH</li> <li>○ Abattoirs marketing SH suppliers</li> <li>○ Specialised fattening and AI services targeting SH</li> <li>○ SHs control animal movements through control grazing</li> <li>○ SHs investing in rural infrastructure</li> <li>○ SH investing in improved production ( Fattening, AI)</li> <li>○ SH planning year round off-take of cattle</li> <li>○ Financial services targeting SH</li> <li>○ ICT services targeting SHs</li> <li>○ Government and associations promoting and supporting standards</li> </ul>	<ul style="list-style-type: none"> <li>○ Disease Free Zones established inclusive of SH</li> <li>○ Zambian beef sold to export markets</li> <li>○ SH off-take heading to commercial grade</li> <li>○ SH producing differentiated products ( free-range, organic)</li> <li>○ Financial ( including insurance) targeting SH ( NO PROFIT support)</li> </ul>	<ul style="list-style-type: none"> <li>○ Competition in beef industry driven by innovation and on-going upgrading</li> </ul>	
<b>Relationships</b>	<ul style="list-style-type: none"> <li>○ SH linked to abattoirs</li> <li>○ Improved transparency between SH and buyer through use of weight scales and weight belt</li> </ul>	<ul style="list-style-type: none"> <li>○ Formalised relationship between Abattoir and SH through contracts</li> </ul>	<ul style="list-style-type: none"> <li>○ Transparent relationships between SH and buyers</li> </ul>	<ul style="list-style-type: none"> <li>○ SH linked to certified transporters</li> </ul>	<ul style="list-style-type: none"> <li>○ Strategic relationships between abattoirs, service providers, vets and SHs</li> <li>○ Governments, help to promote and enforce standards</li> <li>○ Finance, ICT and other supporting business relationships with SH are</li> </ul>	<ul style="list-style-type: none"> <li>○ Vets, abattoirs and SH work together to overcome industry constraints</li> <li>○ Finance, ICT and other supporting business relationships with</li> </ul>	<ul style="list-style-type: none"> <li>○ Beef industry has a wide ranging and robust network of relationships reliant on industry growth, inclusive of SHs</li> </ul>	

	Demonstration/Buy Down Risk			Scale up and Exit		Competitive Industry	
					seen as mutually beneficial	SHs become long-standing	
<b>Benefits</b>	<ul style="list-style-type: none"> <li>○ SH receive more accurate payment for beef, sees true value of beef</li> <li>○ Overall vet market for SH growing</li> <li>○ Access to AI and fattening services growing</li> <li>○ Increase in sales from SH based on weight from scales and weight belts</li> </ul>	<ul style="list-style-type: none"> <li>○ Increase # of SH participation in commercial cattle shows</li> <li>○ Increasing # of SH see economic benefits in commercial herd management</li> </ul>	<ul style="list-style-type: none"> <li>○ Fattening and AI services growing in SH market</li> <li>○ Improved consistency of supply through off season sales</li> <li>○ Increase income from cattle</li> <li>○ Transparent relationships between SH and buyers</li> </ul>	<ul style="list-style-type: none"> <li>○ SH gain improved access to markets through auction services in rural areas</li> <li>○ SH gains access to financial services for production</li> <li>○ Quality of SH production increases through widely available fattening and AI services</li> <li>○ Fattening and AI services viable business/widely available</li> <li>○ SH increasing income through increase sale of Choice beef (as % of overall sales)</li> <li>○ SH accessing improved certified transportation</li> </ul>	<ul style="list-style-type: none"> <li>○ Abattoirs and retail firms grow business through SH suppliers</li> <li>○ SH beef sales into formal retail chains increase as % of total sales</li> <li>○ SH income from cattle consistent throughout year ( plan year round off-take of cattle</li> </ul>	<ul style="list-style-type: none"> <li>○ SH shift cattle to cash as means of savings</li> <li>○ SH increased control/power through widely promoted standards</li> <li>○ Disease free zones established inclusive of SH</li> <li>○ Zambian beef industry growing with increasing percent of production from SHs</li> <li>○ Spin off benefits to financial services who target SH</li> </ul>	<ul style="list-style-type: none"> <li>○ Cattle production increase overall community wealth</li> <li>○ SH selling to export market</li> <li>○ Zambian beef entering into highly differentiated market; Abattoirs able to market differentiated products</li> <li>○ SH receive premium prices for differentiated products (free range, organic) from Abattoirs</li> </ul>

	Demonstration/Buy Down Risk			Scale up and Exit			Competitive Industry	
<b>Capacity</b>	○	○ Managing contracts with SH (with PROFIT support)	○ Marketing and sales of fattening and AI services (with PROFIT)  ○ VetLab begin promotion and enforcement of standards (with PROFIT support)	○ Marketing and sales of fattening and AI services (without PROFIT)  ○ SHs improve business acumen to leverage financial services (with PROFIT support)  ○ Standards promoted and enforced (without PROFIT)	○ Marketing  ○ SH negotiating with Abattoirs and retail firms  ○ SH conducting year round planning, improving business skills  ○ Financial services targeting SH ( with PROFIT support)  ○ Vetlab enforcing standards (without PROFIT support)  ○ Vet network actively representing vet needs in industry	○ SH accessing business services (accounting, management)		

# Annex 3 – Tracking Form

## Sector Analysis Tool - PART 1 for PROFIT Business Advisors

Region: \_\_\_\_\_  
 Business Advisor: \_\_\_\_\_

Month: \_\_\_\_\_  
 Year: \_\_\_\_\_

### Ag Input Market & High Value Horticulture Pathway

Indicator #	Observations	Definition
<b>1.0 Innovation and Learning</b>		
1.1	# of NEW communities with one active agent network	# of NEW communities with more ONE active agent. Active refers to agents that on
1.2	# of NEW communities with more than one active agent network	# of NEW communities with more than ONE active agent. Active refers to agents on contract.
1.3	Total # of in community promotional events conducted	With/out PROFIT support refers to litte to minimal PROFIT support ( i.e. the event would have gone ahead even if PROFIT was not involved)
	a) w/ PROFIT support	
	b) w/out PROFIT support	
	<b>Total Number</b>	
1.4	# of SHs attending in community promotional events	self explanatory; please segregate by gender
	Males	
	Females	
<b>2.0 Benefits</b>		
2.1	<b>TOTAL Value of ALL product and service sales</b>	This refers to overall total value of all sales (services, products, from promotional etc). This number should be the sum of 2.2 to 2.6
	Where possible, please breakdown individual produce service and sales below.	
2.2	Value of input product sales (non-bundled) to SHs	through Agent network through Stores Value of non-bundled products sold (i.e. products alone)
2.3	Value of ripping and ploughing service sales to SH	Trained Untrained Value of ripping and ploughing services sold (alone)
2.4	Value of sprayer service sales to SH	Trained Untrained Value of sprayer services sold as standalone
2.5	Value of sales from promotional events	Value of sales from promotional events ( this number should already be included into the sales of products/services) and should be less than
2.6	Value of bundled input sales	Value of sales that involve bundled products and services. IPs could be selling w/ a
2.7	# SHs purchasing inputs and services	through Agent through Store This is referencing any sales; products, services etc. If this number is available. If it is not available, please disregard.
2.8	# of SHs purchasing	Spraying IPM Ripping/Ploughing self explanatory
2.9	# of new SHs accessing financial services	w/PROFIT support w/out PROFIT support Males Females This refers to loans, or leases. Do not need to include cotton financing activities.
<b>3.0 Relationships</b>		
3.1	# of input firms using firm prepared price lists for service and product sales	
<b>Retailers and agents</b>		
3.2	# of NEW contracts signed between retailers and agents	w/PROFIT support w/out PROFIT support Males Females self explanatory
3.3	# of RENEWED contracts signed between retailers and agents	w/ PROFIT support w/out PROFIT support Males Females
	# of agents CURRENTLY on contract	Males Females
3.4	# of internal agent training events delivered	w/PROFIT support w/out PROFIT support Males Females
3.5	# of agent reviews conducted	w/PROFIT support w/out PROFIT support
<b>Retailers and service providers</b>		
3.6	# of NEW contracts between retailers and service providers (incl. sprayer, tillage)	w/PROFIT support w/out PROFIT support Males Females self explanatory
3.7	# of RENEWED contracts between retailers and service providers	self explanatory
	# of service providers contracts that have ended	
	# of NEW service providers trained	w/ PROFIT support w/out PROFIT support
3.8	# of New service providers tested	w/ PROFIT support w/out PROFIT support
3.9	# of New service providers tested	w/out PROFIT support

**Sector Analysis Tool - PART 1 for PROFIT Business Advisors**

Region: \_\_\_\_\_  
 Business Advisor: \_\_\_\_\_

Month: \_\_\_\_\_  
 Year: \_\_\_\_\_

**Vet Market -Beef Industry Pathway**

Observations		Definitions
<b>Innovation</b>		
Total # of in-community promotions conducted	W/ PROFIT support	# of community events aimed at promoting vet services. This could be in combination with scheduled training activities, but does not necessarily need to be.
	w/out PROFIT support	
Total number of community events ( includes training and weekly dipping/service)		Refers to regularly scheduled trainings/dipping events. This helps us track frequency that vet is heading into community
Total # of SHs attending in community promotional events	<b>Total</b>	
	Males	
	Females	
# of NEW communities investing in infrastructure		This could be investment in terms of labour, materials, finance
<b>Benefits</b>		
Value of vet sales to SHs (for the past month)	HHP Contract	These is referring to only the values received in the current month.
	Drug Sales	
	One off services ( includes non-hhp dipping)	
# of animals receiving one off services		
# of SHs purchasing one off services	<b>Total</b>	self explanatory
	Males	
	Females	
<b>Relationships</b>		
# of animals that DROPPED OUT of existing contract		Self explanatory
# of new animals that joined an EXISTING HHP contract		
Number of animals CURRENTLY on existing contract		
# of NEW SHs joining existing contract	<b>Total</b>	
	Males	
	Females	
Cummulative # of animals on contract		Please leave this cell blank; there is a formula attached to it
# CLWs trained	w/ PROFIT	Self explanatory
	w/out PROFIT	
# of CLWs tested	w/PROFIT	
	w/out PROFIT	
# of CLWs on contract (w/ vets)	w/ PROFIT	
	w/out PROFIT	
# of agents trained	w/ PROFIT	Self explanatory
	w/out PROFIT	
# of agents tested	w/PROFIT	
	w/out PROFIT	
# of agents on contract (w/ vets)	w/PROFIT support	
	w/out PROFIT support	
Explanation of disputes		** please include an explanation of disputes in the narrative tool
# of disputes resolved successfully	w/ PROFIT	
	w/out PROFIT	

**Annex 4 -- Twice Yearly Household Survey**

**PROFIT PROJECT'S  
HOW TO COLLECT DATA:  
AN ASSESSMENT OF HOUSEHOLD INCOME/  
PRODUCTION AND ACCESSIBILITY TO SOCIAL  
SERVICES**

**BY HAMDIA ABDUL-RAHAMAN**

**Introduction to PROFIT:** PROFIT is working to strengthen specific industries through facilitation, mediation and buying down of risks. PROFIT deals with the honey, cotton, retail inputs, beef cattle, and horticulture industries. This evaluation mainly deals with the Ag-Input and Vet services dealing with retail agricultural inputs and beef cattle.

The Ag-Input services mainly focuses on linking small-scale farmers to industry firms that are able to supply inputs and services that the farmers need such as fertilizers, pesticides and sprayer services. The role of PROFIT in these services is to link the businesses with key farmers in the community who are known as agents. The goal is through a trusting relationship between the farmers and businesses via the agent, the farmers will buy more products at a reduced price by buying in bulk and receive product knowledge through the companies. The role of PROFIT will mainly be to play the role of facilitator and mediator and if necessary, buy down risks that threaten the success of the program.

The Vet services focuses on providing the communities with access to a Veterinarian and later on to link the cattle farmers to the beef cattle industry. The program consists of a Veterinarian that builds a trusting relationship with a community and through the help of a Community Livestock Worker (CLW) from within the community and PROFIT field staff, is able to administer the Herd Health Plan (HHP). The goal of the HHP and Vet services is to provide preventative and curable treatment to the cattle. By trying to reduce the risk of unhealthy cattle, PROFIT hopes to start to get the farmers to think of their cattle more as a business than a store of value and venture into the beef cattle industry. The role of PROFIT is to also play the role of facilitator, mediator and to buy down risks if strongly necessary.

**Purpose of Manual:** Data collection is a very important part of finding and resolving issues in projects that have been implemented and a way to allow the organization to have knowledge of what they have achieved and help to set up a pathway for where they want to be in the next stage by setting indicators and reviewing the ones already in place. Unfortunately at PROFIT there has not been an adequate or tested way of doing data collection that can be used in the organization on a regular basis to collect data.

So, this manual is to assist the staff of PROFIT in collecting data. The process and examples, which will be explained and used in this manual, will mainly deal with the evaluation of household income and accessibility to social services. Nonetheless, this process can be used for other evaluations but a new questionnaire must be produced to comply with the topic.

Data collection can be tedious and difficult if the staff is not properly prepared to do it, but this manual will ultimately strive to equip the staff with the adequate knowledge to do so. This manual will provide information relating to the many facets of data collection ranging from the physical tools needed to day to day break downs of events.

**Purpose of Evaluation:** This evaluation is to assist the staff of PROFIT to better direct their action plans to further increase their goals of poverty reduction, and decreasing the risk of small-scale farmers through facilitations and mediations in a specific value chain. This evaluation will mainly focus on the Ag-Input and Vet services programs that PROFIT has been administering for the past two years. Also, this evaluation is to help capture quantitative numbers for the USAID indicators 5 to 8.

## **LOGISTICS: WHO, WHEN AND WHERE?**

### *Who?*

The next round of data collection for the evaluation on household income and accessibility of social services will be administered by a combination of the Monitoring and Evaluation Specialist and another staff member of PROFIT. The choosing of the other staff member to help with the evaluations should be decided either by having a member of staff volunteer, if this option is not offered, the members of staff must choose from within. When choosing a staff member it is important to recommend someone who is, first and foremost, available to take part for at least a two week period straight.

The reasons for having the evaluation and report writing done by two members of staff is so to allow for cohesiveness in the organization and getting two perspectives are always better than one. Having a member of staff outside of the M&E department allows for more efficiency in data collection, less time to carry out the evaluations as well as permitting a diffusion of the methods to collect data to the staff of PROFIT by allowing as many staff members to try the process first hand. Also, by having staff members with different expertise take part, they can add more knowledge and departmental insight to the report.

### *When and Where?*

The evaluations are to be done in December and June every year. The last evaluation took place in Mkushi and Choma in June 2007 and the next one is scheduled to take place in Chongwe and Mumbwa. By rotating the areas that are evaluated, it allows for knowledge of other areas where PROFIT has been active and allows for comparisons among the previous areas that have already been evaluated. The staff of PROFIT will agree upon the future locations after each evaluation.

## **OVERVIEW OF THE EVALUATION AND MANUAL**

The manual will introduce you to the questions to ask and how to ask them and attached in Appendix 1 is the questionnaire to be used in this evaluation. You will also

be introduced to the 3 approaches of focus group discussions, questionnaires (administered door-to-door and after focus group discussions) and transect walks. And the manual will as well familiarize you with the aftermath of the in field data collection portion of the evaluation: coding of questionnaires; using SPSS to help analyze and graph your findings; how to write the report; and how to partake in the post evaluation review process which will allow you, your partner and the staff of PROFIT to go over not only the qualitative and quantitative findings of the PROFIT projects but also review the actual processes of the evaluation.

Now that the logistics have been addressed and you are aware of who will be helping you administer the evaluation and where and when this will take place and the breakdown of the manual, it is time to take a look at the day-to-day schedule of the activities that will go on during the evaluation period and get an understanding of what the individual activities are, when they take place, their objectives and how to do them. Remember that though this is a consecutive day-to-day format of looking at the evaluation, some of the days will have gaps in between because of the activities but the following day must occur. For example, Day 1 will talk about calling field staff to help you with the set up of the farmers and the next day, Day 2, talks about testing the questionnaires, but even though these days are consecutive in the evaluation process, they are about 1 to 2 weeks apart in calendar days. But a guide will be giving to help you know when in calendar days, these evaluation days will fall on.

## **DAY 1**

### Coming Up With Your Schedule For the Infield Data Collection

After determining whom you are working with, the two of you need to sit down and come with dates for the evaluation. What you must keep in mind is that the in-field data collection will take approximately 7 days to achieve in each district, the first in Chongwe and the second in Mumbwa.

#### *Objective:*

To be able to properly and accurately communicate with the field staff to plan the exact dates of when you are coming to their district and what your 7 days in terms of the setup of each day (number of farmers needed per day, which days are needed for focus group discussions, individual questionnaires, etc). As well as reconfirming the names of the communities to be visited and the names of the key informants.

**Note:** The communities to be visited in each District are to be determined ahead of time. These communities are to be determined through:

- Discussions with the field facilitator. From this, the field facilitator will be able to make recommendations on which communities to evaluate because they will know the activities that have been implemented in their areas and therefore which areas fulfill your needs to which communities within their district would best fit the criteria that contains:

-Farmers within these communities have been part of either Ag-Input and/or Vet services for the past 6 months.

-To cut down on time and transport costs, these communities must be able to contain about 25 allegeable farmers so that you can restrict your communities to 2 or 3.

- Monthly reports will allow for some quantitative information about Districts and even specific communities and with these you will be able to have an idea of some of the activities going on in these areas including challenges and successes.
- Going to the recommended communities to monitor them allows you a first hand account of what is going on in the field and allows you to pick the precise communities you want to evaluate in the future. Your decision should arise due to things such as distance and accessibility of the community and that the farmers meet the above criteria of the programs.

#### *What You Need To Do:*

- 1) You and your partner must pick 7 consecutive days that you will both be able to spend in District #1 and another 7 consecutive days in District #2. These two groupings of 7 consecutive days cannot be more than about 3 days apart so to keep your momentum and allow you to remember the key information from the previous data collection.
- 2) When these two weeks have been determined, you must call the field facilitators of each district, at least 2 weeks in advance, to tell them when you plan to come and for them to accommodate you or get you in contact with key people who can accommodate you if they are unable to. When discussing your trip with the field facilitator, make sure to mention the following:
  - Layout of each day including when focus group discussions are to be setup.
  - Ask the field facilitator to reconfirm the locations and names of the communities that you will be going to. Remember that this allows the field facilitator to inform you of any changes on the field in terms of the communities you have chosen.
  - Ask the field facilitator to communicate with the key informants chosen so to not only prepare them for your arrival but hopefully, they will be able to prepare the farmers to be interviewed as well by letting them know of your program (including getting them to schedule a focus group discussion for you on the first and fourth day of your arrival in the communities one in each District-*Focus Group Discussions will be reviewed later*).
- 3) After the above information has been giving and you are both on the same path, let the field facilitator know that you will communicate with them a day or two before your arrival to make sure that things have been prepared and all people involved are ready for your arrival.
  - While making phone calls to establish your week in the field, you should also make a phone call to a desired field facilitator to let them know that you will be coming to their District and for them to set up a group of about 4 to 5 farmers (use the criteria from above to select farmers for this as well) that you can use

to test out the questionnaire that will be used in evaluations. *Process of Testing of Questionnaire will be discussed below in Day 2.*

- The District that you chose to go to should either be close and easy to access and you should be able to travel there, interview the farmers and return all in one day or you could attach this activity to another activity that you are doing. For example, if you are scheduled to monitor a certain District, perhaps add an extra day to be able to do the testing.

**Tip:** *Community Livestock Workers (CLW) and Ag-Input Agents make great community informants if a PROFIT field staff facilitator is not available. They know the community members very well and through that they can locate the farmers who will be needed for the surveys. But, be cautious because with either an agent or a CLW, there may be bias and farmers may be reluctant to say anything unflattering in the presence of these people. This may be a problem or it might not be. If you think it will be, find alternatives. Perhaps go a day early and with the informant, tour the houses which most of the perspective farmers will be and make yourself familiar with them and the area so you can do it*

## **DAY 2**

*Calendar Day: About 1 to 2 weeks after Day 1.*

### Testing The Questionnaire

Now that you and your partner have sat down and determined the layout of your week and have communicated this to the field facilitator it is time for you to test out the questionnaire that you will be using to gather most of your information on PROFIT implemented projects and their impact on household income and accessibility to social services.

#### *Objective:*

To take the questionnaire that will be your main source of gathering data, into the field and test it since it is your first time using it. Testing out the questionnaire allows you and your partner to see how the questions and answers flow and allows for both of you to make any adjustments to help you easily gain the information required by the pre-established questionnaire. Also, it allows you to determine the amount of time it will take to do each questionnaire, allowing for proper scheduling of your time.

#### *What You Need To Do:*

- 1) After calling the field facilitator to establish your trip and date, make sure you have all the equipment needed to go into the field:
  - Questionnaires: bring a couple more than you need because you may want to leave one behind for the field facilitator and accidents or mistakes can happen during the interview
  - Notebook: this allows you to be able to take notes of things that come up during or after the interviews that you don't want to forget.
- 2) When you arrive in the field and meet the farmers you must:

- a. Introduce yourself. This allows for the farmers to know you and hopefully become more comfortable.
    - *How:* “Hello, my name is \_\_\_\_\_ and I am from the PROFIT national office in Lusaka”.
  - b. Tell the farmers the reason why you are there (i.e. to gain information about the programs, preparation for future evaluation etc.) to allow the farmers to know what you are there for.
    - *How:* “I will be doing an evaluation in Mumbwa and Chongwe so I am here to ask you some questions to prepare me for the big evaluation next week”.
  - c. Make sure the farmers present in the group meet your criteria from what you told the field facilitator so to not waste your time or that of the farmers by interviewing them and getting improper information.
    - *How:* After your introductions, ask the farmers how long they have been involved in the Ag-Input or Vet services.
      - “How long have you been part of the Ag-Input services and if you are part of the services, what products have you purchased through this system and from whom?”
      - “How long have you been part of the Vet services and if you are part of the services, how much cattle do you have on the scheme?”
- 3) After introductions, you and your partner must pick two farmers of the 4 or 5 to interview first. Farmers can either volunteer or you can randomly select the first two farmers. When these two are selected, let the other 2 or 3 farmers know that you will interview them in about 45 minutes and if they could patiently wait because this will approximately be the amount of time it will take you to interview one farmer for the first time.
- 4) Now use the questionnaires to interview the farmers one at a time.
- a. When you are about to start, record your start time and make sure to record your end time so to know approximately how long it will take you to do the questionnaires so to know about how many questionnaires are possible for you and your partner in one day.
  - b. Ask the questions in the questionnaire from beginning to end in order to allow for proper flow of the question since many of the questions stem from the previous one and this also helps prevent you from forgetting to ask certain questions.
  - c. During the interviews, make sure to track the questions that are posing as a problem and track how you are able to clarify them by writing it in the notebook you brought or on the actual questionnaire so to be able to go over this with your partner and see if the question needs to be reconfigured to be able to get the same information.
  - d. In accordance to the above point, another thing you must look out for is the way the farmers answer the questions.
    - *For example:* When asking about amount of maize produced in the past 12 months some farmers may give the answer in bags or in kwacha. So it is up to you and your partner to determine which answer

you want to deal with and try to get farmers who give in the other way to give in the one you want to work with. But remember that either way you will encounter farmers that can't give you answers in the standards you have chosen. So make sure to also come up with a common conversion number.

- *I.e.* If a farmer gives you an answer of 200 bags of maize but you wanted the answer in kwacha, then your conversion number could be K3500 per bag of maize. So after converting, the new answer should be K700,000 ( $K3500 * 200 = K700,000$ ).

\*This point is especially important because it allows for the process of coding (*Coding will be explained later in Day 10 and 11*) to be easier for you and your partner since you will be organizing your data along the way.

- 5) When you are finished interviewing the first farmer, take a chance to thank them for their time and let them know that they are welcomed to leave. Then if your partner is also finished at the same time, take about 5 minutes (no longer because other farmers are waiting to be interviewed, if not, spend more time if needed) and quickly discuss your experience (successes, challenges, etc.) and make sure to write them down either in your notebook or on the actual questionnaires so to remember. When finished, proceed to the next set of farmers if any.
- 6) When all the farmers have been interviewed, it is time for you and your partner to assess your findings. If this activity of testing the questionnaire was the last thing you needed to do in this district, then you can proceed to the office in Lusaka to discuss your findings but if this activity is done at the beginning of your trip to the District then take the evening or the next morning to do your assessment. This assessment should come easily because you should have been doing some of it after each interview as described in step 4 c and d above. Now go over your notes from the notebook and questionnaire with your partner and determine your findings and further changes. If you are in the office in Lusaka, make the changes or additions to the questionnaire, if you are still in the field make these changes or adjustments in your notebook or on the questionnaire.

\*At this time take 5 minutes to call the field facilitator of the first District that you will be going to to reconfirm the details of your arrival as discussed in Day 1 above because you should be heading there in about 2 days after your return to Lusaka. This allows you time to:

- Print out the focus group discussion questions (about 5 copies) and all the questionnaires that you will need to do the interviews (about 55 since you will be interviewing about 50 farmers in each District).
- Gather all the equipment that you will need to do the evaluation.
  - Car, bicycle or motorbike for transport to the Districts and within the communities when you are there (*Will be discussed later*).
  - Notebooks and pens
  - Money needed from the accountant for your overnight costs.

**Note:** These changes or adjustments are not meant to alter the information that is coming in from the questionnaires, since they have been predetermined, but they are to help you gain the information needed more easily and make the coding and report process (*Will be discussed later*) easier.

At this point you have already accomplished the following:

- Called the field facilitator of the two districts to evaluate twice now with the last time being about 2 days prior. You should have confirmed your arrival not only with the field facilitator but with the communities you are to evaluate. Such things as focus group discussions should have been set up and you should have the names of key informants.
- You should have tested the questionnaire to get a good feel of how it flows and assessed and made any additions or changes to help you better get the information that is needed for the report.

Now, the next 7 days will discuss the whole seven days that you will be spending in the field gathering the information for the report. Also, these 7 days will explain the methods to use to collect the data as well as the daily layout of the activities to be taken in the field.

The methods to be used during the evaluations of focus group discussions, one on one interviews (door-to-door or after focus group discussions) and transect walks will be further discussed below as well as their pros and cons which will be important to keep in mind during application. So, the use of all these methods of data collection is important because all three of these approaches allows for conformation of facts through three very different activities.

### **DAY 3**

*Calendar Day: About 2 days after Day 2*

#### First Day of Evaluations in District #1

On the first day of the in field evaluation, you will have a very full day so it is very important to start early at about 08:00hrs. On this day you will use the methods of focus group discussions, one on one interviews after focus group discussions and transect walks. All of these methods will be discussed in detail below.

#### **1. FOCUS GROUP DISCUSSIONS**

Amount of farmers: 5 to 15 farmers only.

Focus group discussions will be the first approach used in each of the evaluations because it not only provides you with quality information but it is a great way to introduce yourself to the majority of farmers in the evaluated area and to project what your intentions are and what roles the farmers can play in the following week. It also allows for scheduling of your week and the week of the farmers so to get the maximum amount of participation. Also, focus group discussions are excellent for collecting qualitative data from many different perspectives. They allow for open conversation and

allow for many topics to be discussed but remember to use the questions in Appendix 2 towards learning about household income and accessibility to social services.

### *What You Need To Do*

Focus Group Discussions require a lot of time to plan and the following steps can help guide you in the right direction.

1. When you arrive in the community, make sure to give yourself some time before the focus group discussions start, which will allow you to gather more farmers if need be and to clarify that the ones which will be coming are those farmers which you have requested.
2. As people come in to the meeting, pass a notepad around for people to write their name, gender and village so to allow you to make reference to the group dynamic later in the report if need be.
3. When there is a significant amount of farmers on your list that the farmers have written their details on, inform them of the door-to-door and after this focus group one on one interviews that will take place. Now start the process of choosing about 8 farmers that you can interview after the focus group discussion individually with the one on one questionnaires that you have brought.
  - After informing the farmers of the interviews to take place, many of them will volunteer to be interviewed but you can only pick about 8 farmers. So the best way to do this is to look over your list of farmers and see what villages are in attendance and how many women are in attendance. From this you should pick farmers representative of these distinctions.
    - I.e. if there are 4 different villages in attendance than try to choose 2 farmers from each village.
4. Now, after the farmers for the individual interviews have been identified and logistics have been addressed, start the questionnaires.
  - Use the focus group discussion questions that are attached in this manual to do the discussion (see Appendix 2).
  - But, make sure that this is an open dialogue amongst you and the farmers but keep the questions that you have brought in mind and make sure to address them since they have been predetermined.
  - Use these questions when the conversation is moving too far away from your intended goal of getting dialogue which is useful for the evaluation of household income and accessibility to social services or if there isn't too much of a discussion going on.
  - Also keep in mind that you do not want these discussions to go on all day and you may have to administer individual questionnaires after.
  - At all times, write everything that the farmers are saying that adhere to information about the questions that you have asked them so to not lose anything important. Since there are two of you (you and your partner), the best thing to do is to have one person take charge of asking the questions and the other to take notes to guarantee quality. But the note taker should have liberty to ask clarifying questions and questions in general that he/she thinks are important but were missed.

5. When the questions which you brought have been satisfied and you feel that the discussions are done, thank the farmers for their time and proceed to remind them of your events for the days remaining in their community (if any) so they are aware of your presence and you may go ahead and schedule with them when you will be to their village to interview farmers by village, so it would be best to know the villages ahead of time through the help of the field facilitator. When you know the schedule than proceed to inform the farmers of when you will be in their village. But if knowledge of the villages can only be discovered at the focus group discussions than you may have to quickly make a schedule on the spot with the help of the field facilitator since they know where the locality of the villages are.
6. Also, during this time, you must inform the farmers whom you have chosen for individual interviews to remain so they can be interviewed.

The quality of focus group discussions can far exceed your expectations and give you a lot of fascinating information but they can also be messy depending on how you administer them due to the following reason(s):

- Since they are recommended to be the first approach to be used when you get to the community, they may be set-up before your arrival and if there is a miscommunication between you and the people on the field than the quality and quantity of farmers may not be what you had planned for. (\*Remember that more may not always mean better. More farmers may result in long discussions or off track discussions and some people (i.e. women) may feel intimidated to speak in front a very large group\*).
- Remember that you are the facilitator. Tracking of discussion questions and time management is your responsibility. So keeping on top of these two will help in making the focus group discussions run smoothly. Also, make sure to allow those who have not spoken to speak and try to avoid having a few farmers taking over the discussions comment because you want as much of a representation of the people in the programs as possible.

Focus group discussions are a necessary approach to collection of data in these evaluations but they also have their negatives. The following illustrates the pros and cons to keep in mind:

#### **PROS**

- ❖ Allows for different views at once
- ❖ The conversational, no real structure format allows for openness of topics
- ❖ Quick way of collecting qualitative data

#### **CONS**

- ❖ People may not be comfortable or confident enough to bring individual views in front of others.
- ❖ Answers may be generalized and not specific.
- ❖ Does not allow for physical assessment of the farm or household.

**Note:** Since you will be evaluating about 2 communities in each District, you need to do a focus group discussion at the beginning of your arrival in each community. So, by the fourth day of the infield evaluation schedule, you should have about half the required 50 farmers and should be able to proceed to the next community and so another focus group discussion will have to be done on the fourth day.

## 2. ONE ON ONE QUESTIONNAIRE: AFTER FOCUS GROUP DISCUSSIONS

Amount of Farmers: 8 farmers.

One on one questionnaires are a great way to get personal candid interviews with the farmers and allows for you to speak to farmers individually and for frank talk among the two of you. The physical questionnaires and the administering of them will give you a majority of the information that you will need for the report so it is imperative that this method is well understood so to achieve its full effect.

One on one questionnaires have two forms which they can be administered: after focus group discussions (*Will be discussed now*) or door-to-door (*Will be discussed in the second day of the infield evaluations*). Both of these forms should be used to balance each other out. Like the focus group discussions, both door-to-door and after focus group administration of the questionnaires have their pros and cons so you must keep this in mind when doing the questionnaires so to get as much of the truth and as much good quality of the answers as possible.

Individual Interviews After Focus Group Discussions are meant to be pre-established since the farmers are already there for the focus group discussions, which were discussed in step 1 above, so it is a good idea to capitalize and interview some of them there.

### *What You Need To Do*

Now that the focus group discussion has come to a close and the needed farmers are told to gather, you and your partner may administer the questionnaires.

- First, thank the farmer for taking the time to be interviewed and proceed with the questionnaire in order like how you did when testing the questionnaire (*Day 2 above*).
- There is plenty of room to write answers on the actual questionnaire, so all you need to administer the questionnaire is a pen and the questionnaire.
- Since you have already tested the questionnaire in Day 2 above, the administration should be easy and fluid for you.
- But keep in mind that all people are different, so even though the questions may be easy for most, some farmers may have difficulties responding to some questions and if it is not possible for them to answer due to such things as forgetfulness, than skip the question rather than spending forever trying to come up with an answer which may be too far from the truth and distort the figures.

The amount of farmers that can be interviewed in one day is dependant on many factor(s):

- Farmers may not want to wait around too long to be interviewed.
- Depending on the amount of people that showed up to the focus group discussions, there may be little farmers to choose from.

Doing questionnaires after focus group discussions is quick but other information is lost in the trade off. These questionnaires have pros and cons:

### **PROS**

- ❖ Very quick.
- ❖ Individual views can still come forward.
- ❖ With other farmers around some farmers may be more honest since they know that their neighbors know some of their answers.

### **CONS**

- ❖ When other farmers are near, the answers may not be truly honest and other farmers try to help by giving answers.
- ❖ Not able to make a physical assessment of the farm or household.

**Note:** As explained above, since you will be doing at least 2 focus group discussions in each District, you must do at least 2 one on one questionnaire interviews after focus group discussion sessions. So as discussed above, these interviews must be done on the first and fourth day of the infield evaluation in each District.

## 3. TRANSECT WALKS (If APPLICABLE)

Transect walks are great for making physical assessments of the communities and getting answers to questions which are not or could not be asked in the questionnaires or focus group discussions.

### *What You Need To Do*

Walking around the community is something that you do when performing an evaluation, but to make it a transect walk and therefore useful to the evaluation, you must start to think of the community and your surroundings as places to get unspoken and informal information.

- You must be in the community that you wish to evaluate and have a good understanding of what you are looking for. (I.e. at the focus group discussions, how many women attended or an eye on the stores in the market to make an assessment of what products are available to the people of the community and where they get them.)
- When walking around, make sure not to intrude in the activities of the locals and this may encourage them to change their activities to fit what they think you are looking for which may distort their reality.
- Make sure to record what you witness and experience. It may be difficult to do this during the walk around trying not to stick out too much and influence the

realities of the community members, so you must learn to use your memory and also try to write down your experience that is relevant to the evaluation.

- It is very important that as you enter the homes of farmers when doing the door-to-door interviews (*Will be discussed in Day 4 below*) it is vital that you keep a close eye on key assets within the home. You must do this because most farmers may not recognize such things as new tin roofs or televisions as an indication of their wealth but it is. Make sure to record these findings in your notebook or even on the questionnaire so you can later refer to it and perhaps use it as qualitative facts. Also, when other members of PROFIT come to the same home in the future to do an evaluation they will be able to track the trends of the wealth allocation by comparing the assets that you recorded to being present at the time to assets present on their arrival.

**Note:** Transect walks are meant to be done on a regular basis by closely observing your environment but no length of time or days will be strategically allocated to them but it is up to the observer to know what they are looking for (*Refer to examples above*) and this will allow you to know how much time you need to fulfill this task and what time is appropriate to do this.

- For example, if you want to witness how animals on Vet services are kept, you would make time to observe this when doing a one on one interview with a farmer who has cattle on the HHP at their home.

So, transect walks will be represented by “where applicable” and scheduled by you and your partner as to what is important to observe and when and where you can gain this. Also, some key information may come by you just being somewhere and not necessarily planning it so keep your eyes open and mind open.

Like the other methods for data collection that are discussed above, transect walks have their pros and cons:

### **PROS**

- ❖ Great way to collect physical information (how the cattle are kept, how the tillage services are working).
- ❖ Non-intrusive, demands very little, if any, time or attention from others.

### **CONS**

- ❖ Interviewer may lead to conclusions without using other methods to find the whole truth of the matter.
- ❖ Interview, if not careful, may influence the community members’ actual reality resulting in false pretenses.

**Tip:** *It is imperative to not substitute valuable information for time. You will find that it is much quicker and easier to interview farmers after the focus group discussions, but the extra information that you will get by going household to household cannot be replaced by the time you save. It is essential to interview farmers both door-to-door and after focus group discussions. Also, when in the field, you must remember to always be observant because some key information is found from just watching, and by doing transect walks you can do this.*

**Not  
e:**

It is

very important to always take at least 10 minutes out after everyday in the field to go over your experience with your partner to make sure that you are both on the same page and are not having difficulties. Remember that infield problems are easier to fix in the field than in the office.

#### **DAY 4**

*Calendar Day: 1 Day after Day 3*

##### Second Day of Infield Evaluations in District #1

After your first day during the infield evaluation you should have been able to get a good insight on the villages that you will have to go to for door-to-door interviews. You should have been exposed to these villages through the focus group discussions and by talking to the field facilitator and any key informants around. Now, the second day in the infield evaluation requires you to go to some of these villages in order of how you decided to after the questionnaires (i.e. Distance) to administer the one on one questionnaires door-to-door.

#### **1. ONE ON ONE QUESTIONNAIRE: DOOR-TO-DOOR**

Amount of farmers: 7 farmers.

When doing door-to-door interviews it is important to remember that they will take longer than interviews administered after focus group discussions, so time maintenance is needed to succeed.

##### *What You Need To Do*

So when you arrive, the main objective of these questionnaires is to interview the farmers at their homes individually or among their immediate family.

Proceed to each house with either a field staff or with a community informant such as an agent or a community livestock worker (CLW).

- When at the home, introduce yourself.
  - Also at the home, as explained in Day 3, make sure to be very observant of the key assets in the home so to make reference to them and to provide for tracking of the trends of wealth allocation in the future evaluations when PROFIT comes to the same home.
- Explain why you are there so to try and get the point across that you are only looking for the farmer who is part of these programs so not to interview the wrong person. You may find that there are other relatives at the home who may also be farmers.
- Then ask to speak to the farmer involved in the programs. If he or she is not there ask when they will be back and determine when you can come back. If this is not possible, ask to interview the wife or children if they know the information on the questionnaire. When this happens it is interesting to keep a close eye on the information which is given and how because this could be used as qualitative information for the report and can account for the information diffusion and gender roles in the family which may be important to report on.

- When the person to be interviewed is located, again introduce yourself and why you are there. Remind the person being interviewed that this is an evaluation to see where the programs are going and how they can be perfected so their honesty and cooperation is highly needed. Also, remember to make them feel as comfortable with you as possible so to have a candid conversation.
- Then when the atmosphere and mood are set, start to administer the questionnaire.
  - By this time you should be well familiarized with the process of administering questionnaires. So all to remember is to write down the answers on the actual questionnaire and to go in order so not to skip over a question (*For more on how to do administer a questionnaire, see Day 2 or Day 3*).

The amount of households that can be interviewed in one day is dependant on many factor(s):

- Depending on the distances between the households in some communities may allow for more interviews in one day in comparison to another due to household locality.
- Through breakdowns in communication and planning between you and the community, it may result in visiting key households and finding that there are no people at home who are able to be interviewed.

**Tip:** Cars are not the best forms of transportation for door-to-door interviews. I strongly recommend taking a bicycle or motorbike if the person feels comfortable enough to ride either. They are fast and can easily access tight areas and require little or

Door-to-door interviews are great for collecting one-on-one information from the farmers or others in the household but they can also pose as a problem.

### PROS

- ❖ Private settings allow for more honest and truthful answers since the farmers are more comfortable.
- ❖ Also, other issues may arise due to the farmers having your full attention and vice versa.
- ❖ You are able to make physical assessments of the household.
- ❖ You have the chance to get a household perception of the services from other members of the household.
- ❖ Allows for farmers who cannot make it to a central location for focus group discussions due to such things as health problems or labour issues to still be interviewed.

### CONS

- ❖ This method is very time consuming.
- ❖ A big vehicle may not be able to pass through certain areas.
- ❖ Key respondents may not be at home.
- ❖ Houses may be very far apart.

- ❖ Interviewed on their own, farmers may not be truthful but tell you what they think you want to know.

**Note:** One on one interviews will take up a majority of the 7 days that you will be spending in the field to do the evaluation. One on one interviews will occur on the second, third, fifth, sixth and seventh day of the infield evaluation in each District.

## 2. TRANSECT WALKS (If APPLICABLE)

Do the transect walks as described in Day 3 (First Day of Infield Evaluation) above.

## **DAY 5**

*Calendar Day: 1 day after Day 4.*

### Third Day of Infield Evaluation in District #1

The third day of the infield evaluation is very critical because this should be the last day in the first community and tomorrow you should be heading to the next community to administer a focus group discussion and the respected interviews afterwards. So, it is important that you keep on track on this day because the focus group discussion in the next community should have been set up ahead of time with the help of the field facilitator. So if you are unable to attend due to poor management or unfortunate events, it will be a huge disappointment to the farmers and asking them to come on the following day may be problematic since they have a lot to do.

## 1. ONE ON ONE INTERVIEWS (DOOR-TO-DOOR)

Amount of farmers: 7 farmers

### *What You Need To Do*

These one on one interviews should be administered door-to-door exactly like how they were explained in Day 4 (Second Day of Infield Evaluation in District #1) above.

## 2. TRANSECT WALKS (IF APPLICABLE)

## **DAY 6**

*Calendar Day: 1 day after Day 5.*

### Fourth Day of Infield Evaluation

Now, you should be in the second community of the first District. It is time to redo the activities you have done starting on Day 3 (First Day of Infield Evaluation) including a focus group discussion, individual interviews afterwards and transect walks and ending with the one on one interviews done door-to-door on the remainder of your stay which should be an additional 3 days.

## 1. SECOND FOCUS GROUP DISCUSSION

Amount of farmers: As many as possible.

*What You Need To Do*

To be done exactly in the way the first focus group discussion described in Day 3 (First Day of Infield Evaluation) above.

2. ONE ON ONE QUESTIONNAIRES: AFTER A FOCUS GROUP DISCUSSION

Amount of farmers: 7 farmers.

*What You Need To Do*

To be done exactly in the way the one on one questionnaires administered after a focus group discussion were described in Day 3 (First Day of Infield Evaluation) above.

3. TRANSECT WALKS (IF APPLICABLE)

*What You Need To Do*

To be done exactly as the transect walks are described in Day 3 (First Day of Infield evaluation) above.

**DAY 7**

*Calendar Day: 1 day after Day 6*

Fifth Day of Infield Evaluation

1. ONE ON ONE QUESTIONNAIRES: DOOR-TO-DOOR

Amount of farmers: 7 farmers.

*What You Need To Do*

To be done exactly in the way the one on one questionnaires administered door-to-door were described in Day 3 (First Day of Infield Evaluation) above.

2. TRANSECT WALKS (IF APPLICABLE)

*What You Need To Do*

To be done exactly in the way which the transect walks are described in Day 3 (First Day of Infield evaluation) above.

**DAY 8**

*Calendar Day: 1 day after Day 7.*

Sixth Day of Infield Evaluation

1. ONE ON ONE QUESTIONNAIRES: DOOR-TO-DOOR

Amount of farmers: 7 farmers.

*What You Need To Do*

To be done exactly in the way the one on one questionnaires administered door-to-door were done in Day 3 (First Day of Infield Evaluation) above.

## 2. TRANSECT WALKS (IF APPLICABLE)

### *What You Need To Do*

To be done exactly in the way which the transect walks are described in Day 3 (First Day of Infield Evaluation) above.

## **DAY 9**

*Calendar Day: 1 day after Day 8*

### Seventh Day of Infield Evaluation

#### 1. ONE ON ONE QUESTIONNAIRES: DOOR-TO-DOOR

Amount of farmers: 7 farmers.

### *What You Need To Do*

To be done exactly in the way the one on one questionnaires administered door-to-door were described in Day 3 (First Day of Infield Evaluation) above.

## 2. TRANSECT WALKS (IF APPLICABLE)

### *What You Need To Do*

To be done exactly in the way which the transect walks are described in Day 3 (First Day of Infield Evaluation) above.

**Note:** This marks the end of half of the infield data collection portion of the evaluation. Now you will proceed to the office in Lusaka to take part in coding the results of the data that you have collected in District #1.

The rest of the manual will explain the process of coding, process of the second round of data collection in District #2, the report process that includes a brief overview of the use of SPSS and finally the process of the post evaluation review.

## **DAY 10 AND DAY 11**

*Calendar Day: 1 day after Day 9.*

### Assessing Your Findings and Coding

Now that you have returned from the field with 50 questionnaires, it is time to start assessing and coding your data. This process is quite tedious and time consuming so patience is highly needed. Also this process will take 2 days to complete starting on Day 10 and ending on Day 11.

#### *Objective*

To be able to calculate and view your findings periodically. Through coding, you and your partner should be able to prepare the answers that you received from the field to be easily put in the SPSS system so to use the numbers to prepare your report and make graphs from. Also, through coding the first 50 questionnaires from District #1, it allows you and your partner to review the answers that have

been coming in and see if there have been problems obtaining these. So if you find that issues arise or some questionnaires are unusable, you can make note and therefore interview more farmers in District #2 to compensate.

*What You Need To Do:*

1. When you are in the office and are ready to assess and code the data make sure you have the following items:
  1. A red pen to be able to write the code numbers on each question and for it be distinct and easy to read from the color of the writing of the answers in the questionnaire when putting the codes in to SPSS. But this means that in the field, the questionnaires should have been writing in blue or black ink.
  - A blue or black pen to be able to change question numbers or to convert the answers that farmers gave you into the units you and your partner agreed on.
  - Lots of plain paper for writing the different codes on and using that as your legend or guide of codes.
  - 50 questionnaires to be used to get the options of the code values and to write the codes on when the values have been decided and recorded on plain paper.
2. Now that you have all the equipment needed, it is time for you and your partner to start coding from the beginning of the questionnaire to the end.
  - a. Take your blue or black pen and on the questionnaire go over all the numbers because the questions with tables will change because instead of the table representing one question, when coding the rows will be their own questions so the number of questions on the code sheet will be more than on the original questionnaire.
    - For Example on the questionnaire, number 14 (What size is your household) looks like this:

<b>Year Groups</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Under 5			
5 to 15			
16 to 25			
26 to 35			
36 to 45			
46 and above			

- But on the code sheet, number 14 will now become all those in your household Under 5, number 15 will be people between the ages of 5 to 15, number 16 will be people between the ages of 16 to 25, number 17 will be people between the ages of 26 to 35, number 18 will be people between the ages of 36 to 45 and number 19 will be people who are 46 and above.
- b. Now, after numbering the whole questionnaire, you must design a set of codes for each question.
  - The best and easy thing to do is to move from number 1 onwards. As you go through each question, try to remember the answers that

- you received and try to make the category values encompass all the values of the answers you received without making too many codes by grouping the answers. For example, number 18 of the original questionnaire (How large is your far in limas) has many values that could be expressed. So, the way you should group these code values would be in groups of 5 or 10.
- Code #1-between 0 to 10; Code #2- between 11 to 20; Code #3-between 21 to 30 and so on.
- c. Depending on the question and answers, one question may result in a lot of variation of code values. For example, a code for question number 5 (Name of Village that farmers are from) may result in over 20 code values due to the vastness of villages in one community. But you must not use the above rule for this but you must just take all the names of villages you received and use them as the codes. With these questions you will find that some codes (I.e. villages) will be used more than once but others may come up only once but you must still record them.
  - d. Remember when coming up with code values for each question, you must put the numeric values in order but some values do not have order such as village names. When you are arranging these values, you must give them all reference numbers that you will be putting on the actual questionnaire with the red pen you have so to easily put into the SPSS program.
    - For example, if there are 2 districts of Mkushi and Choma than Mkushi's reference number would be 1 and Choma's reference number would be 2. So of each questionnaire, on the question of which district the interviewee is from, when you see Mkushi that question number would get a number 1 beside it.
3. Now that you have renumbered the questionnaire and come up with code values for the questions and their reference numbers it is time to code the questionnaires.
    - With your red pen you must take each questionnaire and from the first to last question, look at the answer that the farmer gave you, look at the code sheet you made up and use a reference number that corresponds with the answer giving by the farmer on that questionnaire as described above with the example of the districts.

The key thing about starting the coding process in between the two infield data collection sessions is that it allows for less work when you return from the field because you have started to organize the values of the data and since most of the answers from the questions will be the same in District #1 as District #2 it makes it easier to code the additional 50 questionnaires since most of the work has been done for you.

So, after going through this process of coding over the past 2 days, you are finished and should be ready to go back into the field.

**Note:** Before you started the coding process, you should have called the field facilitator in District #2 to reconfirm your arrival in the next 2 days and your travel programs which include making sure that they have setup two focus group discussions for you on the

first and fourth day of your visit to their district. Also, they need to prepare farmers by letting them know that you are coming to do an evaluation and expressing your desire to do interviews with them. This is a reconfirmation because on Day 1 you should have called them to let them know that you were coming to their district.

## **DAY 12 TO DAY 18**

*Calendar Day: 2 days after Day 10.*

### Second Round of Infield Data Collection in District #2

So, on this day it is time to start the second round of infield data collection. At this point you have called the field facilitator in District #2 (Day 10) to setup your program with him and you have now arrived in the field and things should be able to run smoothly, even more so than in the first district, because you have the experience from the previous data collection session and should be able to adjust and prepare for any problems that might occur from your previous experience.

#### *Objective*

To be able to successfully go into the field and collect data in the second district as you did in the first district starting on Day 3 above.

#### *What You Need To Do*

For the next round of data collection in the field, the activities must be done exactly the same way as you had done the previous activities that you did starting on Day 3 (First Day of Infield Data Collection) and ending on Day 9 (Seventh Day of Infield Data Collection). Just like how the previous questionnaires were administered over a 7 day period, the second round of data collection must also be done over a 7 day time period stretching from Day 12 to Day 18.

## **DAY 19**

*Calendar Day: 7 days after Day 12.*

### Assessment and Coding of the Data From District #2

Now you should be back in Lusaka from the field and it is time to code the data from District #2. As mentioned in Day 10, the process of coding data from the second district should not be as hard or time consuming as coding data from the first district due to having most of the organizational steps completed prior.

#### *Objective*

To be able to assess your findings in the field in a systematic way which will allow for you to put the data into the SPSS system to be able to easily analyze and use the data in your report which will be explained next in the manual.

**Note:** Even though the process of the second round of coding is supposed to be done similarly like the first round of coding, some areas are different so please read carefully.

### *What You Need To Do*

1. You must make sure to have the required equipment to partake in this activity.
  - A red pen to be able to write the code numbers on each question and for it be distinct and easy to read from the color of the writing of the answers in the questionnaire when putting the codes in to SPSS. But this means that in the field, the questionnaires should have been writing in blue or black ink.
  - A blue or black pen to be able to change question numbers or to convert the answers that farmers gave you into the units you and your partner agreed on.
  - The code sheets from the first round of questionnaires to be used as a legend or guide of codes and to get the reference numbers for each answer and for you to use to add new code values for answers that are new from District #2.
    - For example, question #5 (Name of village) will have different codes since none of the villages in District #1 will be in District #2 so new reference codes must be added to the others from District #1.
  - 50 questionnaires to be used to get the options of the code values and to write the codes on when the values have been decided and recorded on the code sheet.
2. Now that you have all the needed equipment you can start to put the codes on the questionnaires.
  - a. With each questionnaire, start from #1 and move to the last question coding the answers with a reference number from the list of codes from the code sheet with your red pen.
  - b. When you get to a question where the answer has no code reference number, because the answer did not appear in any of the questionnaires from District #1, you must add it to the rest of codes from this question on the code sheet and give it a reference number on the code sheet and put that same reference number on the questionnaire beside the question number. When any other questionnaire comes up with this answer you will have a reference number for it now. Go through this process for each of the questions in each questionnaire.

Now that all 100 of the questionnaires have been coded it is time for you to start putting the values of each questionnaire into SPSS and than to write the report.

### **DAY 20 TO DAY 27**

*Calendar Day: 1 day after Day 19.*

### Writing the Report

Now, the data that you collected in the two districts must be consolidated and expressed in a report. This report writing process will take approximately 7 days to complete and includes one day of code entry into the SPSS data collection system.

### *Objective*

To be able to express your findings in the field through thorough data analysis. By doing this, you and your partner will be able to inform the rest of the PROFIT staff of what is going on in the field from the beneficiaries perspective and to then

use a participatory approach to figure out where the next step should be for PROFIT to take on your programs to further improve the direction of the programs.

### *What You Need To Do*

1. With the 100 questionnaires, you must put all their codes into the SPSS system so to be able to easily analyze, compare and graph all the answers. SPSS can be found on the desktop computer in the Monitoring and Evaluation office. At this point, this activity could be quite easy or hard depending on whether or not the coding process above was well organized. This activity should take one day and the next 7 days should be reserved for the report writing.
2. After entering all the data into SPSS you must break down what you need to report on to make it easier for you and your partner to divide the writing of the report. When two people are writing the report the best thing to do is to have one person do one half and the other person do the other half.
  - The report writing should be broken up by the headings of the questionnaire itself since this framework is how you will be writing the report. So, the categories that you need to write on are:
    - Introduction and Methodology.
    - Background information that includes such things as locality of farmers and members of their household.
    - Retail ag-input services including their expenditures on inputs and labour.
    - Vet services including involvement in HHP
    - Household income and accessibility to social services, which includes access to loans and credit and the amount of assets procured.
    - Summary of the report and your findings.
  - You and your partner need to divide these categories accordingly to write on. It is very important that you both pay attention to each others writing because you will have to consolidate the report so the writing style should be simple so to be able to easily combine and not seem like two very different people wrote it.
  - While writing the report make sure to use as much quantitative facts as possible to get your findings across. Also, use the graphs that SPSS provides to help illustrate your facts.
3. After 7 days of report writing, you should be done. Now, you should email the report to all staff members in the office to get them to read it and make any constructive comments to better improve the report. After these comments come in take them into high regard and along with your partner use the comments to revise the report. After you have revised the report after comments from staff, you need to email it out again to be read and notify staff of the review meeting that will take place (pick a date that most staff can attend).
  - In the email, tell staff to read the report and come up with any concerns, questions or recommendations of ways to combat issues that have arisen through the report.

**Note:** A copy of the last evaluation on household income and accessibility to social services reporting format is in the Monitoring and Evaluation office and should be used as a guide to write future reports.

## **DAY 28**

*Calendar Day: 9 days after Day 20.*

### After Evaluation Review Process

After the report has been revised it is time to sit down with the staff members of PROFIT to go over the whole evaluation and together come up with the next steps of the programs mainly in regards to Vet and retail ag-input services.

#### *Objective*

To go over your findings with the staff of PROFIT and through a participatory manner, determine the next phase of improvements in the actual evaluation and PROFIT implemented projects (mainly ag-input and vet services).

#### *What You Need To Do*

1. On the confirmed date to do the review meeting, gather in the conference room. You and your partner must take control of running this meeting since you were the ones to do the evaluation. You should have copies of the report for all in attendance and poster paper with markers to write down the issues and recommendations of the report on. After handing out the reports you are now able to proceed with the meeting. You and your partner need to decide who will write and who will take charge of facilitating the meeting.
2. Firstly, you need to go over the process that you and your partner took to do the evaluations so to allow those who have not learned of the process to be able to know since they may have to do it next time.
  - When explaining your experiences, make sure to talk of the challenges and successes you faced in the field and together see if you, your partner and the staff of PROFIT can come up with ways to improve the situation to make it easier and more useful for next time.
3. Secondly, you must go over the actual report with the staff and start to look at the improvements and recommendations that people have come up with.
  - But first, ask the staff if they have any clarifying questions about the report that they do not understand. If so, write the question up and along with your partner, clear up the confusion and explain.
  - After the clarifying questions have been done and the staff feels knowledgeable enough, go ahead with getting recommendations on how to proceed with the points raised in the report.
    - As people give recommendations or comments on the report and the actual field findings, they must be written down.
    - After all the known recommendations are recorded, together, the staff of PROFIT must figure out the most important of them and see how

these recommendations can be put into action and come up with appropriate and specific activities to achieve these.

4. After all of these activities, the meeting is finished. After the meeting, as soon as possible, write a detailed summary of the meeting and email it to all the staff to make sure that everyone is on the same page with the future activities to be taken stemming from the meeting and report.

## **SUMMARY**

After 28 days the evaluation process is done but the actions to be taken as a result of this process will be the next key step following the evaluation. These future evaluations are meant to be key tools for PROFIT as an organization to not only reflect upon what it has been doing in the field and make recommendations to improve the already existing efforts but it allows for PROFIT to finally do this within the organization by having fellow staff administer the infield data collection, report writing and allows for staff to make recommendations about their own projects.

Through this manual, PROFIT is able to achieve these goals. It is very important that people taking part in these evaluations, make a valiant effort to follow all the needed steps of the evaluation to make sure to get the most out of it.

## Appendix 1: Household Evaluation Questionnaire

PROFIT HOUSEHOLD EVALUATION SURVEY  
CATTLE AND CROPS SUB-SECTOR QUESTIONNAIRE  
FOR USE IN CHOMA AND MKUSHI DISTRICTS OF ZAMBIA  
USAID/ CLUSA/ PROFIT  
JUNE/ JULY 2007

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## **INTRODUCTION**

“My name is\_\_\_\_\_. I am currently on assignment for PROFIT. We are here in [ name of village] to conduct an evaluation of what is happening at the household level by talking to people about production, income, and access to social services. The information obtained will be used to assess the program performance of

PROFIT's Vet and Ag Input services. The answers which we acquire will not be used beyond the access of the PROFIT program.

I would be very grateful for your assistance in answering the following questions to the best of your knowledge. Thank you.

**SECTION A**

**Background Information**

1. Questionnaire ID number \_\_\_\_\_
2. Province \_\_\_\_\_
3. District \_\_\_\_\_
4. Area \_\_\_\_\_
5. Village \_\_\_\_\_
6. Name of Farmer \_\_\_\_\_
7. Household number/ address. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
8. Date \_\_\_\_\_
9. When did you join the Vet services \_\_\_\_\_
10. When did you join the Ag Input services \_\_\_\_\_

**SECTION B.**

**Members of Household**

11. Age of respondent? \_\_\_\_\_
12. Sex 1. MALE 2. FEMALE
13. Are you the head of the household? 1. YES 2. NO

14. What is the size of your household? (Including yourself)

Year Groups	Male	Female	Total
Under 5			
5 to 15			
16 to 25			
26 to 35			
36 to 45			
46 and above			

15. What are the jobs of people on the farm?

Year	Contribution	Contribution	Contribution	Going	Going	Going
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<b>Groups</b>	<b>to farm labour Male</b>	<b>to farm labour Female</b>	<b>to farm labour Total</b>	<b>to School Male</b>	<b>to School Female</b>	<b>to School Total</b>
Under 5						
5 to 15						
16 to 25						
26 to 35						
36 to 45						
46 and above						
<b>Total</b>						

16. What is your marital status?

1. Single 2. Married 3. Divorced 4. Widowed

17. What is the highest level of education you have attended?

<b>Level of Education</b>	
Lower Primary ( up to Grade 7)	
Junior Secondary ( up to Grade 9 or Form 3)	
Grade 11 or 12 or Form 5	
Higher	
Don't Know	

## **SECTION C**

### **Production**

#### **Crops**

18. How large is your farm (in limas)?

19. What type of crops do you grow and how much do you grow?

<b>Crops</b>	<b>Lima No.</b>
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	

20. How many bags of cotton and maize did you produce?

<b>Crops</b>	<b>2005/2006 Season</b>	<b>2006/2007 Season</b>
Cotton		
Maize		

21. Did purchase seeds; use any fertilizers or chemicals in crop cultivation?

1. YES 2. NO

22. If **YES**, how much?

<b>Chemicals/ Fertilizers</b>	<b>2005/2006 Season</b>	<b>2006/2007 Season</b>
Fertilizers		
Pesticides		
Herbicides		
Seeds		

23. How much did you spend on these and how much did you use on maize and cotton (in percentage)?

<b>Chemicals/ Fertilizers</b>	<b>2005/2006 Season</b>	<b>Maize</b>	<b>Cotton</b>	<b>2006/2007 Season</b>	<b>Maize</b>	<b>Cotton</b>
Fertilizers						
Pesticides						
Herbicides						
Seeds						

24. When do you normally purchase your inputs or chemicals and from where?

i. When: \_\_\_\_\_

ii. Where: \_\_\_\_\_

25. Did you hire any people to do any work related to crop cultivation?

1. YES 2. NO

26. If **YES**, how many?

<b>Type of Work</b>	<b>No. of People</b>	<b>Which Months Worked</b>	<b>How They Were Paid</b>	<b>How Much They Were Paid</b>	<b>Which Crop Was It Used For and Percentage</b>

<b>Weeding</b>					
<b>Harvesting</b>					
<b>Other</b>					

27. Did you hire any oxen in the last farming season to help in crop cultivation?

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28. If YES, how much did you spend?

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29. Have you been using any methods of Conservation Farming?

1. YES 2. NO

30. If YES, which ones?

<b>Farming Practice</b>	<b>2005/2006 Season</b>	<b>2006/2007 Season</b>
1. Early land preparation		
2. Minimum tillage using hand hoes ( Pot holing/ Basins)		
3. Minimum tillage using animal power ( Ripping)		
4. Minimum tillage using mechanized		
5. Crop rotation		
6. Green manuring		
7. Improved fallow		
8. Others, please specify		

31. After joining the Ag input services, what changes, positive or negative, have you seen, if any in your crop cultivation?

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**Livestock**

32. Do you keep livestock? 1. Yes 2.No

33. If **YES** to the above question, list the livestock in the table below and ownership.

Type of livestock	No.	Male or Female Ownership
1. Cattle		
2. Cows		
3. Oxen		
4. Calves		
5. Bulls		
6. Goats		
7. Sheep		
8. Chicken		
9. Ducks		
10. Others, please specify		

34 How many of your animals had calves in the past 12 months and how many calves in total?

i. Number of animals that had calves: \_\_\_\_\_

ii. Number of Calves in total: \_\_\_\_\_

35. How many of your cattle have suffered from diseases?

Type of Diseases	2005/2006 Season	2006/2007 Season
1. Foot and Mouth		
2. Corridor		
3. Anthrax		
4. Lumpy Skin		
5. Liver Fluke		
6. Others, Please Specify		

36. What did you do about treatment of these animals?

Types of Treatment	2005/2006 Season	2006/2007 Season

<b>Sought</b>		
1. Nothing		
2. From a private Vet Clinic		
3. From a Government Vet Clinic		
4. From the HHP (Doctor)		
5. Other (Agent, etc. Please Specify)		

37. How many of your animals died from diseases?

	<b>2005/2006 Season</b>	<b>2006/2007 Season</b>
<b>No. of Deaths</b>		

38. How much did you spend on these treatments and services in the past 12 months?

<b>Purchased Services and Treatments</b>	<b>Amount Spent</b>
1. HHP	
2. Dipping	
3. Vaccines	
4. Supplements/ Feed	
5. Spraying	
6. Transport	
7. Artificial Insemination	
8. Others, Please Specify	

39. Did you hire any people to do any work related to cattle rearing?

1. YES 2. NO

40. If **YES**, how many?

<b>Type of Work</b>	<b>No. of People</b>	<b>Which Months Worked</b>	<b>How They Were Paid</b>	<b>How Much They Were Paid</b>

41 Since joining the Vet scheme/ services which changes, positive or negative, have you seen if any?

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## **SECTION D**

### **Accessibility to Credit Financial Services, Insurance and Savings**

42. Have you lent or given money to any family members or friends in the past 12 months?

1. YES 2. NO

43. If **YES**, how much?

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44. Do you have a Savings Account?

1. YES 2. NO

45. Did you have access to money or credit loan or assistance over the past 12 months?

<b>Types of Money or Credit Loan</b>	<b>Yes or No</b>
Cash Loan	
Input Credit	
Government Assistance	

46. If **YES**, did you use it for the past farming season?

1. YES 2. NO

47. If **YES**, where did you borrow the money or credit?

<b>Source</b>	
Bank or Micro Finance Institutions	
Buyers of outputs	
Sellers of Inputs	
Government	
Informal sources (Family or Friends)	

48. Do you have any form of insurance?

1. YES 2. NO

49. If YES, which type of insurance?

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**SECTION E**

**Household Income, Social Services and Assets**

50. What have been your main sources of income, please name them and the amount in Bags or Cash value?

<b>Sources</b>	<b>2005/2006 Season</b>	<b>2006/2007 Season</b>
Cattle		
Maize		
Cotton		
Other, please specify (i.e. Construction, renting of oxen, spraying services, etc.)		

51. How much of your total income do you spend on the following services and when?

<b>Services</b>	<b>Amount (\$)</b>	<b>Time of Season</b>
Education		
Healthcare		
Wedding		
Lending		
Gifts		
Paying back Loans		
Leisure		
Other, Please Specify		

52. Have there been times when it has been hard to access Healthcare or Education?

1. YES 2. NO

53. If **YES**, WHY and WHEN was this?

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54. What Household assets have you procured over the past 12 months?

<b>Household Assets</b>	<b>Number acquired</b>
Cell Phone	
Iron Sheet (New roof)	
Sewing Machine	
Bicycle	
Motorbike	
Tractor	
New Clothes/Shoes?Blankets	
Hoe	
Axe	
Cattle	
Cups/Plates	
Tables/Chairs	
Others, please specify.	

Thank you very much for your time

## Appendix 2: Household Evaluation Focus Group Discussion Questions

PROFIT HOUSEHOLD EVALUATION SURVEY  
CATTLE AND CROPS SUB-SECTOR QUESTIONNAIRE  
FOR USE IN CHOMA AND MKUSHI DISTRICTS OF ZAMBIA  
USAID/ CLUSA/ PROFIT  
JUNE/ JULY 2007

### **FOCUS GROUP INTERVIEW GUIDE**

#### **CROP PRODUCTION.**

What are the common crops grown?

Do you use fertilizer in crop production?

If **YES**, why and when did you decide to start using fertilizer?

If **NO**, why are you not using fertilizer?

Do you use herbicides and pesticides?

If **YES**, why and when did you decide to start using herbicides and pesticides?

If **NO**, why are you not using herbicides and pesticides?

When do you purchase farm inputs?

Did you acquire any new knowledge on crop production in the last 12 months?

If **YES**, what type of knowledge did you acquire and from where? (E.g. neighbors, input providers, buyers, traders etc).

How many people use conservation farming methods?

Mention some of conservation farming methods used and their impact on crop production?

Who do you sell your crops to and how satisfied are you with the transaction and price?

What changes have you experienced by having the Ag input agent in your community?

What improvements need to be made in the Ag-input services?

#### **LIVESTOCK**

What types of animals are reared in this area?

What new knowledge have you acquired on cattle care over the last 12 months?

If **YES**, where did you acquire the knowledge from and how have you used the same knowledge?

What are some of the common diseases that affect your cattle?

What are the first 3 things that you do when an animal gets sick?

What are the regular preventative measures you take for good cattle health?

Who do you sell your cattle and are you satisfied with the price and the transaction?

When do you sell your animals and what are reasons for selling the animals?

What changes have you found by joining the Vet Scheme?

What improvements need to be made in the Vet services?

#### **GENERAL QUESTIONS**

- 1) In the past 12 months, has your accessibility to such things as healthcare and education changed.

2) What other skills and knowledge do you need to help improve production in cattle rearing or crop cultivation?

## **Annex 5 – Executive Summary of the Impact Assessment Baseline Report**

### **EXECUTIVE SUMMARY**

#### **E1. INTRODUCTION**

This report presents the findings from the baseline impact assessment of the Production, Finance, and Improved Technology (PROFIT) Program based in Lusaka, Zambia. PROFIT seeks to increase the long-term competitiveness and growth of selected rural economic activities in Zambia while assuring that a growing number of micro and small enterprises (MSEs) contribute to and benefit from the growth process. To achieve this goal, PROFIT uses a value chain approach that seeks to create and strengthen links between micro and small enterprises (MSEs) and other actors at different levels of the value chain.

The impact assessment focuses on PROFIT interventions in three of the five value chains in which the program is currently working: cotton, beef cattle, and retail input services (the other two value chains are honey and high value horticulture). Cotton and beef were selected because they are activities that involve large numbers of smallholders (200,000-300,000 in each case) and because the causal models for PROFIT's interventions in these sectors were relatively well defined at the time the study was launched. Retail services entail PROFIT's effort to build up the input supply network at the retail level for smallholders in a variety of sectors.

The PROFIT impact assessment uses a longitudinal, quasi-experimental design implemented through a mixed-method (quantitative and qualitative) approach. The quantitative part of the assessment includes a baseline survey of 919 program clients and 620 non-clients implemented during August-September 2006 and a follow-up survey of the same clients and non-clients after a two-year interval. The survey is complemented by qualitative research carried out during November 2006, with follow-up scheduled for late 2008. The qualitative research consists of in-depth interviews and focus groups discussions with project clients and other key informants in each of the three value chains.

The purpose of the baseline study is to establish and report the conditions in both the treatment (client) and control (non-client) groups at the beginning of the impact assessment, so as to assess the level and direction of change in the follow-up study two years later. Actual program impact will be assessed in the follow-up study two years hence. Program impact will be measured at the value chain, MSE, and household levels and determined by the relative changes within and across the two study groups.

Besides being an important project for private sector development in Zambia and Africa more generally, PROFIT is a good example of the new generation of private sector development (PSD) programs currently being implemented by USAID and other donors in developing and transition countries. An impact assessment of PROFIT's effectiveness in achieving its goals will generate information that can be used by USAID/Zambia, other African missions, USAID generally, and other donors to gauge the effectiveness of this approach and to inform decisions about the design of future projects.

#### **E2. PROFIT**

PROFIT is a five-year project that began in June 2005. The Cooperative League of USA (CLUSA) implements the project on behalf of the United States Agency for International Development (USAID). International Development Enterprises (IDE) and the Emerging Markets Group (EMG) participate as sub-

contractors. The overarching goal of PROFIT is to increase industry growth while assuring meaningful poverty reduction at the household level.

To achieve its goal of growth with poverty reduction, PROFIT uses a value chain approach driven by two components: (1) a value chain analytical framework and (2) market facilitation. The value chain analytical framework in turn includes two foundational principles that in their turn incorporate four main components. The two foundational principles are targeting competitive, high growth potential industries that include large numbers of MSEs and thus can produce broad-based economic growth, and consideration of the broader market systems in which the industries operate. Within this operational framework, PROFIT undertakes four broad activities: (1) sector or industry selection, (2) identifying competitive advantage, (3) designing a commercial upgrading strategy, and (4) ensuring competitive sustainability.

PROFIT uses a three-phase implementation process that allows it to gauge progress against results and apply resources where needed to overcome obstacles or push momentum faster: (1) sector selection and design, (2) demonstrating/buying down risk, and (3) exit. Each phase has an additional two to three stages, as follows.

1. Sector Selection and Design
  - a. Assess the potential of an intervention in an industry based on growth prospects, scale/impact of MSE participation, and leadership characteristics of an industry.
  - b. Analyze inter-firm cooperation and support market constraints within the value chain and follows with an intervention targeting analysis to determine intervention entry points, or key services and functional relationships where PROFIT can leverage systemic change.
2. Demonstration/Buying Down Risk
  - a. Build awareness (e.g., meetings and events) in which PROFIT staff interacts with value chain actors to discuss opportunities.
  - b. Value chain actors self-select as participants in PROFIT interventions. (PROFIT uses a range of specific actions that value chain actors must perform to demonstrate interest and commitment to upgrading themselves and/or the industry.)
  - c. Facilitate more direct and intensive interactions between value chain participants. PROFIT assists in moving these relationships from initial meeting to a more formal structure (e.g., agreement, structured buying mechanism, contract farming, etc.).
3. Exit
  - a. Facilitate increased transaction volumes, establish effective dispute resolutions mechanisms, increase confidence in market mechanisms, and foster new entrants/services/products into the market place.
  - b. Cease interactions with value chain participants and take on a solely monitoring role to assess responses and emerging problems.

### **E2.1. Cotton Sector**

Cotton production remains, for a variety of reasons, constrained by low productivity at the farm level. Notwithstanding, cotton could be solid earner for farmers. The sector has good export potential along with existing market linkages that can be further strengthened, and it has a few strong lead firms that contract with farmers and provide inputs, finance, extension services, and market outlets.

PROFIT works at multiple levels in the value chain. With farmers it works via the Conservation Farming Unit (CFU) providing training to farmers on improved cultivation methods aimed at raising productivity. With lead firms, PROFIT is working to with them to improve their management systems via information communications technology so they can more effectively monitor and direct resources towards incentivizing productivity. With input providers, PROFIT is working with them to offer input services to cotton farmers via the lead firm's value chain financing mechanism. PROFIT further plans to initiate a range of new

activities in the cotton sector, including injecting new forms of technology such as integrated pest management and irrigation into outgrower schemes; fostering the integration of third party services into value chain financing schemes of lead firms (such as tillage); and improving the communications between lead firms and smallholders.

## **E2.2. Beef Cattle Sector**

The beef cattle sector is relatively disconnected with weak and ineffective linkages that are plaguing its ability to respond to critical threats, such as low productivity, drought, disease outbreak and competition from imports. Further, the disconnectedness in the sector has limited information flows and fostered a general lack of transparency that distorts commercial incentives, limits the adoption of better on-farm practices, and minimizes the demand for critical support products (e.g., veterinary services, financial products and services, and feed services and products).

A particularly important constraint to sector upgrading is the high rates of cattle morbidity and mortality. The beef sector will remain vulnerable until the issue of smallholder disease control can be effectively addressed. PROFIT, therefore, has initiated a number of activities aimed at linking smallholders to veterinarians and creating supply and demand incentives for vet services.

PROFIT is also working to link smallholders to financial service and other input/supply providers, to foster feedlot services, to pilot outgrower models with commercial cattle ranchers and abattoirs, and to launch activities to improve the cattle infrastructure in rural communities. The latter includes, for example, dip tanks and crash pens and the establishment of a recognized community-based cattle support professional (the community livestock worker, or CLW). PROFIT is working to institutionalize the process of CLW training, which will allow individual vets to expand in remote rural areas in an economically feasible manner.

## **E2.3. Retail Services Sector**

In the retail services sector, PROFIT is working with input dealers to facilitate expansion and improvement of the retail agriculture input distribution network. Major activities in this sector include the targeting of existing service providers as a platform for marketing services to smallholders, working with input providers to foster bundling of products and services to decrease overall costs of needed inputs by increasing volume and decreasing the number of transactions, and facilitating internal training capacity for strategic marketing and management skills within the larger multi-outlet retailers, including institutionalizing agent and retailer management training as a means to gain a competitive edge.

As retailers and service providers engage more smallholders, PROFIT will promote the integration of improved technology messages within the product and service offering. Promoting improved technology principles (e.g., conservation farming, irrigation, and integrated pest management) via input and service providers will increase adoption rates, drive innovation, and catalyze smallholder investment (i.e., irrigation, services, etc.). PROFIT will also begin to work back through the supply chains to look for production opportunities of which smallholders could take advantage (e.g, seed outgrower, seedling outgrower, etc.).

## **E3. IMPACT ASSESSMENT METHODOLOGY**

As stated earlier, the purpose of the baseline research is to establish the “original” conditions in the treatment and control groups in the three sectors studied as well as at the sector level. As such, the baseline focuses less on analysis and more on description of the two groups and sector conditions at the initiation of the assessment. The follow-up survey two years hence will revisit as many of the respondents from the baseline

round as possible. Its purpose will be to determine whether and how conditions have changed within both groups and in the relevant sectors. In contrast to the baseline, the follow-up will focus more on analysis of change within and across treatment and control groups and less on description. The follow-up analysis will use a “difference-in-difference” approach meaning that changes in the values of target variables for program participants between the two surveys will be compared to similar changes for control group members to see whether impact can be inferred.

### E3.1. Impact Survey

The quantitative portion of the PROFIT impact assessment consists of a household-level survey of program participants and non-participants. The treatment group of program participants was selected randomly from lists of participants provided by PROFIT and its implementation partners. The control group of non-participants was selected randomly from separate districts. To minimize potential selection bias, control group selection used a sampling process stratified by key observable characteristics, including location, farming activity, climate, and growing conditions.

To keep the logistics and costs of the impact assessment manageable, the research team decided to limit the study to selected districts and three local languages in the Central, Southern, and Northwest provinces. The three languages selected were English, Bemba, and Tonga. Survey questionnaires were originally written in English, translated into Bemba and Tonga, and then back-translated into English to ensure accuracy. The final sampling frame is depicted in Table E1.

**Table E1. PROFIT Impact Assessment Sampling Frame**

Sector/District	Participant	Control	Total
<b>Cotton</b>			
Choma	43	-	43
Sinazongwe	125	-	125
Pemba	141	-	141
Monze	-	222	222
Total Cotton	309	222	531
<b>Beef Cattle</b>			
Mazabuka	299	-	299
Choma	-	202	202
Total Beef Cattle	299	202	501
<b>Retail Input Services</b>			
Mkushi	311	-	311
Chibombo	-	206	206
Total Retail Input Services	311	206	517
<b>Total</b>	<b>919</b>	<b>630</b>	<b>1,549</b>

### **E3.2. Qualitative Research**

The impact survey was complemented by qualitative research to improve understanding of: (1) the dynamics of smallholder participation in the cotton and beef value chains; (2) factors that affect the responsiveness of smallholders to changing demand; (3) how supporting markets (for inputs, services, and finance) support firm competitiveness; and (4) how PROFIT addresses these issues in the development of interventions intended to further the integration of smallholders into competitive value chains. Specific questions addressed during the qualitative research include the following.

1. What are the incentives and risks for smallholders associated with upgrading and accessing new markets, specifically looking at incentives such as increased profitability or reduced transaction costs?
2. What are the incentives and constraints affecting smallholder participation in the value chains?
3. What are the incentives and risks for lead firms, input, and service providers and the extent to which the program is helping them develop and/or improve these activities?
4. What is the nature of cooperation and coordination among actors within the value chain as it relates to smallholder participation and competitiveness?

Qualitative data collection was conducted for each of the three sectors studied in three districts using key informant interviews and focus group discussions. The interviews and discussions were held with a number of stakeholders including smallholder MSE producers, leaders of producer groups, input suppliers, veterinarians, extension workers, lead firm buyers, and brokers. In all 44 persons participated in the qualitative research, including 13 who participated in key informant interviews and 31 farmers who participated in focus group discussions.

### **E3.3. Hypotheses**

The study design is based on a set of causal models that show how program activities lead logically to expected outcomes and impacts at the sector, MSE, and household levels. The causal models for each sector yield a number of hypotheses that are tested in the impact assessment.

#### **E3.3.1. Cotton Sector Hypotheses**

Hypothesis 1: Project activities will lead to increased and sustainable sector competitiveness in world markets. This means that the sector will be able to sell a growing volume of cotton, of adequate and improving quality, at prices that cover the cost of production and earn a profit for smallholders. While long-term sustainability will not be observable within the time frame of the assessment, we will look for and assess evidence related to changes in sector competitiveness over time.

Hypothesis 2: Smallholder cotton farmers will benefit from project activity by increasing their productivity, sales, and profits. Improved firm performance is a necessary condition for achieving greater sector competitiveness.

Hypothesis 3: To the extent impacts are achieved at the firm level, there should be in turn measurable impacts on smallholder households, especially rising incomes and accumulation of household assets. Since the great majority of households concerned are most likely living below the poverty line, an important issue will be whether improved performance in cotton cultivation helps to boost household income and improve family welfare more generally.

Hypothesis 4: Improved sector and firm performance will be preceded by measurable firm-level outcomes, including better farmer knowledge, increased adoption of conservation farming and other productivity-

enhancing methods, rising yields, improved soil quality, increased secondary cropping, decreased production costs, increased diversification of farming services offered to farmers, and increased revenue for service providers. If to the extent these positive outcomes are achieved, it strengthens the case for attributing any measured improvements in impact variables to project activities.

### **E3.3.2. Beef Cattle Hypotheses**

Hypothesis 1: Project activities will lead to increased sector output by value and volume, increased channeling of production through formal marketing structures, increased smallholder participation, increased access to higher-end markets, a higher producer price relative to the commercial price, and improved ability to withstand shocks on the part of the smallholders.

Hypothesis 2: Smallholder cattle farmers will benefit from higher productivity, increased sales, and higher profits for participating smallholders. Improved firm performance is a necessary condition for achieving greater sector competitiveness.

Hypothesis 3: If the firm-level impacts are achieved, they will result in improved welfare within smallholder households as indicated by higher household income, asset accumulation, and the ability of participating households that are poor to climb above the poverty line.

Hypothesis 4: Improved sector and firm performance will be preceded by measurable firm-level outcomes, including increased and improved veterinary services, greater utilization of veterinary services, better herd health, increased stock turnover, higher average stock value, improved margins, a shift to cattle as a business rather than a store of value, increased smallholder access to financial services, increased quality and differential pricing by quality, and new entrants into the meat packing industry.

### **E3.3.3. Retail Input Services Hypotheses**

Hypothesis 1: Project activities will lead to increased smallholder productivity and increased on-farm income.

Hypothesis 2: Smallholder farmers will benefit from project activities in the form of increased productivity, sales, and profits.

Hypothesis 3: If the firm-level impacts are achieved, they will result in improved welfare within smallholder households as indicated by higher household income, asset accumulation, and the ability of participating households that are poor to climb above the poverty line.

Hypothesis 4: Improved sector and firm performance will be preceded by measurable firm-level outcomes, including reduced inventory, input, and transportation costs; increased number of retail outlets; increased availability and sales of inputs; increased number of farmers accessing retail services and using farm inputs; increased farmer knowledge about inputs and their use; and increased access to embedded or bank finance.

## **E4. FINDINGS OF THE BASELINE STUDY**

### **E4.1. Demographic Characteristics of Participant and Control Groups**

- Participant and control group members in all three sectors share similar demographic profiles in terms of gender, age, household size, education, and sources of income.

- Participant and control group members in all three sectors score similarly on quality of life indicators, specifically income per capita and food security.
- Participant and control group members in all three sectors have broadly similar housing conditions as measured by wall and roof materials. Variations do exist between groups, but they are, for the most part, minor to moderate.
- Participant and control group members in all three sectors enjoy similar access to basic services, though with some difference. Variations do exist between groups, but they are, for the most part, minor to moderate.
- Asset ownership patterns are similar among participant and control group members in all three sectors. Variations do exist between groups, but they are, for the most part, minor to moderate.
- Overall, participant and control farmers in all three sectors share similar demographic and socio-economic profiles. There is some variation across the groups in each sector, but this level variation appears well within the range of normal variation one might have expected ahead of time of groups selected in this fashion; the amount of variation across groups is not of the magnitude that would raise significant concerns about the similarity and comparability of the treatment and control groups.

#### **E4.2. Baseline Findings in the Cotton Sector**

- The business profiles of cotton farmers in the participant and control groups are similar. They own seven hectares of land on average, of which they dedicate 1.5 hectares to cotton production. They plant 24 kilograms of seed using 2.8 kilograms of fertilizer, which yields a harvest of 990 kilograms of cotton worth K1.24 million. The level of cotton produced, however, fluctuates from season to season depending on the level of rainfall and production practices used.
- Farmers in both groups purchase or use a variety of production inputs, the most common being fertilizer and draft animals followed by labor, seed, implements and equipment, tillage, weeding, and harvesting. There is no consistent pattern in terms of which group is more likely to purchase inputs or services; it depends on the input or service. Participant farmers, however, tend to spend significantly more on inputs and services than control farmers.
- The choice of where to purchase production inputs depends not only on the price of inputs but also, particularly in the case of PROFIT clients, on the price paid by the lead firm for the final product. Depending on market forces, input suppliers determine input prices, which in the case of lead firms is fixed at headquarters and passed down to the distributors' depots in the relevant communities.
- Cotton farmers in both groups hire 11-12 laborers per season who work on average only 7-9 days.
- Participant farmers sell almost exclusively to lead firms, while control farmers sell mostly to other cotton processors.
- Smallholder cotton producers complain about (perceived) low prices that are set only after the harvest is completed. (In reality, Zambian cotton farmers receive relatively high prices compared to other cotton farmers in the region. The low price perception probably stems from low farmer productivity and an assumption that prices should always increase.) In the recent past, the price of cotton has been adversely affected by changes in market forces, in particular the appreciation of the kwacha. Many cotton farmers felt cheated by the lead firms and expressed reluctance to continue to grow cotton.
- Cotton farmers feel that cotton production is not very profitable due to the high costs of production and poor road infrastructure. (Poor road infrastructure also reduces the returns to cotton buyers, which is reflected in the prices they pay for cotton.) Other constraints to higher returns include a lack of transparency on the costs of embedded input finance, the lack of financial institutions offering credit to farmers, and the lack of storage facilities in farming communities.
- The low returns to cotton negatively affect repayment rates on embedded financing for inputs.

- A significant percentage of farmers in both groups expressed dissatisfaction with cotton buyers; nonetheless, a majority in both groups said that they were satisfied with cotton buyers.
- Relative few farmers in both groups (fewer than 15 percent) belong to a producer association.
- The relationship between cotton farmers and lead firms is weak and characterized by a lack of trust stemming from, among other things, a high default rate on embedded loans, inadequate communication, and non-transparent information on the pricing of inputs and cotton. Notwithstanding, lead firms have taken steps to strengthen links with smallholders via extension and other outreach programs.
- A majority of control farmers use conservation farming practices compared to 40 percent of participant farmers. The common conservation farming practices among the two groups include, in order of importance, early land preparation, minimum tillage with animal power, crop rotation, improved fallow, and/or minimum tillage with hand hoes.
- According to key informants, farming practices do appear to be changing slowly over time. Adoption of conservation farming practices also appears to have increased cotton yields, even where there has been little rainfall.
- Horizontal linkages exist among cotton farmers, but they are few and generally not strong. Nonetheless, there is some evidence of cooperation, particularly among control farmers. Control farmers are more likely to engage in horizontal cooperation than participant farmers as measured by collaboration to purchase or sell inputs and provision of services to other farmers.
- Nearly two-thirds of cotton farmers in both participant and control groups access and use information on cotton farming from farmer information centers, radios, or cell phones. A similar percentage in each group reports the presence of an information center in their community. Almost no farmers use the internet to get information on cotton farming.
- Lead firms are the single greatest source of information on cotton farming, particularly among participant farmers.
- A majority of farmers in both groups (although higher among participant farmers) finds information on cotton farming very useful.

### **E4.3. Baseline Findings in the Beef Cattle Sector**

- Participant and control farmers manage small herds of cattle totaling an average of 0.9 heifers, 1.6 bulls, 2.1 steers, and 4.0 cows among participant farmers compared to 1.2 heifers, 1.2 bulls, 1.7 steers, and 3.5 cows among control farmers. The majority of both groups own 0 heifers, 0 bulls, and 1-5 cows. Nearly one-half of each group own 1-5 steers, although another 40 percent in both groups own 0 steers.
- Taking into account births, deaths, and purchases over the past 12 months, the average herd size shrank by 0.35 cattle among participant farmers compared to .33 cattle among control farmers. When thefts are considered, the average herd size shrank even further by .42 cattle among participant farmers and .49 cattle among control farmers.
- Fewer than 10 percent of farmers in both groups sold cattle over the past year. Cattle farmers interviewed perceived that the high costs of production and accompanying operational costs generally outweighed the benefits from cattle production and sales. Of those who sold cattle, the overwhelming majority sold to local traders, and nearly all sales were at the spot price. The market for cattle is dominated by bulk buyers and low prices at the smallholder level, and this has discouraged smallholders from investing in upgrading cattle production.
- Factors accounting for low production rates among cattle farmers include disease, especially corridor disease; poor extension and veterinary services; high input costs; the lack of financial resources; breed type (the common local breed fetches a lower price than other breeds); a lack of business orientation (cattle are held as a store of value and typically sold to pay for household cash needs; fewer than 2

percent of cattle sales in both groups were for commercial purposes); a lack of knowledge and management skills, a lack of access to technology; and a low rate of adoption of “good” cattle rearing practices.

- Visual inspection is the primary means used to determine sales price. Prices vary depending on the type of buyer; local buyers pay lower prices, for example, than butchers. The poor quality (perceived or real) of smallholder cattle tends to lower the price are willing to pay. Notwithstanding, farmers (and particularly control farmers) expressed high levels of satisfaction with buyers.
- Lead firms have not taken meaningful steps to help smallholders upgrade production. On the contrary, one of the lead firms, PAMA, sees the smallholders more as potential buyers than sellers. Its concern is that smallholders do not provide good quality and higher grades of beef, and it attributed this to the lack of disease control facilities.
- The major constraint to the farmers in accessing veterinary inputs is the cost of drugs. However, suppliers are making efforts to supply farmers who are regular buyers or who buy supplies in bulk.
- Overall, veterinary services are not well established or utilized by smallholder cattle farmers. Control farmers utilize vet services and dipping more than participant farmers; nonetheless, participant farmers spend more on average on vet services and dipping than control farmers.
- Veterinarians service large areas covering hundreds of farmers. The main constraints in vet services include the lack of transport to reach all livestock farmers, the lack of vaccines and drugs, the lack of human resources to assist in the coverage of the assigned area, and the reluctance of smallholder cattle farmers to adopt new methods and livestock practices.
- A majority of farmers in both groups dip their cattle, although the dipping facilities are generally considered inadequate. There is a lack of interest in renovating dip tanks and there appears to be a general reluctance to assume responsibility for community owned property.
- Fewer than 5 percent of farmers in both groups hire labor to assist with cattle rearing.
- Treatment farmers experienced a higher level of cattle morbidity than control farmers for all types of sicknesses, although over one-half of farmers in both groups had sick cattle during the past year. Morbidity rates were particularly high for corridor disease, foot and mouth disease, and lumpy skin disease.
- Among farmers whose herds suffered from disease, the large majority either sought treatment from a government veterinarian clinic or purchased medicines.
- Participant farmers experienced a higher level of cattle mortality than control farmers over the previous year for all types of sicknesses (Table 33). Mortality rates were relatively high for corridor disease among the two groups and for foot and mouth disease among participant farmers. Overall, farmers in both groups lost 1.7 head of cattle on average to disease in the past year.
- A majority of farmers in both groups access information on cattle rearing from the radio and to a lesser extent from farmer information centers and cell phones. Virtually no farmers in either group get information on cattle rearing from the internet.
- Information disseminated in information centers tends to place a heavy emphasis on new or better farming methods with relatively little emphasis on better methods to manage farm enterprises and even less emphasis on input and output markets.
- Horizontal collaboration among smallholder cattle farmers is relatively rare, although there are some farmers who pool resource to purchase or sell input or to acquire services related to farming (and not cattle rearing). There appears to exist among farmers and farmer groups (and other actors in the value chain) a general bias against livestock development in favor of crop production.
- Approximately one-half of both groups (though more control farmers) belong to farmer groups, although the groups tend not to provide assistance on cattle rearing.
- Control farmers were much more likely than participant farmers to receive technical assistance. Ministry of Agriculture (MOA) extension officers were the most important source of TA in both groups, whereas suppliers were an unimportant source of TA.

- The farmers' relationships with other value chain actors are generally weak, with the exception of the private veterinarians and the agents/brokers. The former relationship remains in its formative stage; nonetheless, it is perceived to be a productive business linkage by the farmers.
- Weak vertical linkages in the beef cattle sector are due in part to the lack of interest among the farmers to engage in commercial cattle production, the lack of interest among lead firms to support smallholders, the lack of information on existing opportunities, the absence of communication channels between farmers and other value chain actors, and low levels of trust between farmers and lead firms.

#### **E4.4. Baseline Findings in the Retail Input Sector**

- A minority of farmers in both groups are aware of shops selling farming inputs in a local or nearby community. Where a shop is available, the distance averages more than five kilometers, although greater than 10 kilometers for most control farmers.
- "Other" sources are the most important sources of information about retail inputs followed by community events.
- A similar percentage of participant and control farmers have received information on available agricultural products and services. MOA extension officers were the primary source of this information for participant farmers followed by village extension workers; whereas "other" sources were the primary source of information for control farmers followed by camp extension officers and village extension workers. No participant farmers mentioned inputs suppliers as a source of information on products and services.
- Radio programs were the most important source of information on farming among farmers in both groups followed by cell phones. Almost no farmers in either group received information from the internet.
- Price is the most important factor in deciding where to buy inputs in both groups, although cited more frequently among control farmers, followed at a distance by location. Input prices have been increasing over time, and input suppliers do not offer bulk discounts.
- Most input suppliers do not provide extension services or follow-up to smallholder farmers. On the positive side, there has been an increase in the variety of inputs sold and some input suppliers have begun to clearly label input packs. On the negative side, some farmers felt that input sellers engage in deceptive practices creating mistrust between input suppliers and smallholder farmers.
- A large majority of farmers in both groups purchased fertilizer in the last growing season. Fewer purchased pesticides and veterinary drugs, and fewer still purchased herbicides. Overall, participant farmers spent more on pesticides, herbicides, and veterinary drugs, whereas control farmers spent more on fertilizers.
- Stores outside the community were the main source of purchased inputs in both groups. Other relatively important sources of inputs include farm agents; buying/group associations; and other sources.
- Farmers in both groups purchased a variety of production services during the past growing season spending relatively large amounts on oxygen tillage, weeding, and harvesting. Participant farmers spent a relatively higher amount on herding, while both groups spent relatively less on motorized tillage, dipping, hired labor, and spraying. Almost no farmers in either group spent money on feed lot, stud, or artificial insemination services.
- In terms of actual cash expenditures, farmers in both groups spent the most on, in descending order, oxygen tillage, transport, weeding, herding, and harvesting. Control farmers spent significantly more on herding, harvesting, labor, and spraying than participant farmers, whereas participant farmers spend significantly more on transport, and motorized tillage.

- A large majority in both groups reported the presence of a farmer information center in their community or a nearby community. Nearly two-thirds in each group received information on new or better farming methods at the farmer information center, whereas approximately one-quarter said that they received information on better methods of managing their farms.
- A large majority in both groups received advice or training in farming over the past year. The largest suppliers were extension officers from the Ministry of Agriculture followed in descending order by radio and TV, other sources (24 percent vs. 39 percent), and other extension officers. Most farmers in both groups rated the advice or training as very useful.
- Nearly all farmers reported the presence of farmer groups in their communities. Producer groups are the most common followed at a large distance by marketing cooperatives. Ninety percent of participant farmers and 73 percent of control farmers belong to a farmer group
- A minority, but non-trivial number, of farmers were pooling resources to purchase inputs and services and sell produce. Control farmers were more likely than participant farmers to pool resources to purchase inputs or services or sell produce.
- There is little evidence of horizontal cooperation by input suppliers. Competition between input suppliers appears to reduce their incentives for cooperating with the retail value chain.
- A number of organizations in the qualitative study areas were directly working with the smallholders who attributed an increase in production, at least in part, to training received from value chain members as well as and increased cooperation among farmers via farmer groups. According to some farmers, input and service providers have improved their service provision towards smallholders in areas such as information dissemination, input provision, linkages to other input suppliers, and farmer demonstrations.

## **E5. SUMMARY**

Smallholders occupy an important place (if not in terms of productivity or purchasing power at least in terms of numbers) in the cotton, beef cattle, and retail input services value chains. Nonetheless, they tend strongly to be marginal producers working small plots or land or managing small herds and are everywhere plagued by low levels of productivity (and in the case of cattle farmers, high rates of cattle morbidity and mortality); limited resources combined with a lack of access to formal financial services; a lack of access to, or use of, technology; and limited incentives to invest in commercial upgrading. They possess little market power and often sell, or purchase, under adverse market conditions and with limited market information, although they tend to rate buyers favorably. A poor road infrastructure imposes high transaction costs and inefficiencies on farmers and lead firms alike. A lack of storage facilities, moreover, also hampers productivity in the cotton sector and amplifies the disincentives to invest in upgrading. While cotton farming is an important source of household income, raising cattle is not. Neither sector creates meaningful employment for family or non-family members.

Horizontal linkages within the cotton and beef cattle sectors are relatively few and generally weak. There is some collaboration among smallholders via a pooling of resources to acquire or provide inputs and services, but this is limited to a relatively small minority. Similarly, vertical linkages also tend towards weak, particularly with lead firms and retail input providers, and characterized by a lack of trust, although farmers do appear to have developed good relationships with agents. Lead firms in the cotton sector, however, have initiated efforts to strengthen their links, while providing more outgrower services, to cotton farmers.

Overall, farmers do seek and receive information and advice/training on cotton farming and cattle rearing, which they typically find useful. Information centers, radio, and cell phones are the most important sources of information, whereas government agriculture officers are the most important source of advice/training. In some cases, such as conservation farming, farmers can demonstrate a willingness to adopt new farming practices, but substantial resistance to changing behavior remains. This applies not only to farming practices but also to adoption of veterinarian and other cattle raising practices. Farmers have also struggled to overcome the collective action problems involved with community-based cattle practices (e.g., dip tanks).

Moreover, it is not assured that the private veterinarians can find a viable (profitable) business model for working with smallholder cattle farmers.

The retail input sector is underdeveloped with poor outreach to rural areas where smallholders live and work. A large majority of farmers are not aware of a shop selling farming inputs in their community and a similar low percentage of farmers have received information on available agricultural products and services. Farmers frequently have to travel long distances to purchase inputs. A perception that input sellers at times engage in fraudulent practices, moreover, appears to have weakened the trust between some smallholders and input sellers.

Usage of farming inputs is low across all farmers surveyed. A large majority of farmers purchase and use fertilizer, but a relatively small minority purchase and use pesticides, herbicides, or veterinary drugs. A minority of smallholders also purchase a variety of farming services, including small minorities of farmers who purchase transport, herding, harvesting, motorized tillage, dipping, labor, and spraying, although a more significant minority do purchase oxygen tillage and weeding.

In contrast, nearly all participant farmers and three-quarters of control farmers have received advice or training in farming, mostly from government agricultural extension officers, the radio, or TV. There is no evidence; however, that input sellers offer embedded services to farmers; less than 1 percent of farmers received advice or training from input sellers.

PROFIT has undertaken a diverse set of activities to address the above problems in the cotton, beef cattle, and retain input supply chains. Given that this is only the baseline study, it is too soon to determine whether these activities will yield the desired outcomes and impacts, although this information should be available when the follow-up study is completed in two years.

In order to generate valid conclusions about impact, researchers made careful efforts to select control group samples that were comparable to the participant samples. Overall, the two groups appear to share broadly similar characteristics in terms of demographics, living standards, and business activities. There is, however, minor to moderate variation across the two groups. Thus the follow-up research will need to take care to ensure that differences are taken into account in assessing the impact of the program.

It will be important to review and document the program activities thoroughly as they are expected to evolve over time. Any significant changes in program activities will need to be incorporated into the analysis and their implications for understanding program impacts carefully explained.

# Field Staff Management: An Improvement Strategy

Compiled Iteratively June-August 2007

DATE: AUGUST 13<sup>th</sup> 2007



## **Executive Summary**

This document summarizes the recommendations made as part of the ‘PROFIT Management Assessment’. PROFIT’s value chain framework and market facilitation approach requires impressive field level understanding, approach, communication and learning. PROFIT has instituted a management methodology to foster these characterises. This assessment aimed to analyze the effectiveness of this management approach. This report concludes that PROFIT does an outstanding job but still manages to present a series of ‘fine tuning’ recommendations. These recommendations include: improving communication, creating stronger teams, breaking down hierarchy, improving organisational culture, fostering innovation, improving understanding of the approach, and building staff abilities.

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## Introduction

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The purpose of this document is to summarize the recommendations discussed regarding the ‘PROFIT Management Assessment’ conducted June to August 2007.

The assessment was formulated around the inherent management challenges PROFIT’s PSD value chain and market facilitation approach presents. Success is dependent upon having effective field workers, who have a competitive industry vision, who embody the market facilitation approach, who are able to read and react to market signals, and who readily feed their learning up to managers. Profit has tried to create a management structure and systems (flat-hierarchy, lots of interactions, exchanges, workshops, retreats, reports and assessments) to foster these characteristics and address these challenges. The assessment was to analyze if this management approach and these mechanism were working effectively.

The process was driven by Chad Hamre, an Engineers Without Borders Canada volunteer consultant. As an outsider with considerable PROFIT history, CH was well positioned to tackle this assignment. He had ample time to focus and was able to engage PROFIT staff in a non-threatening manner, as a neutral outsider. The process has involved:

- Discussions with senior technical advisors,
- Ride-alongs and discussions with operational manager and technical area leaders,
- Field visits and discussions with all PROFIT field staff, and
- Regular update meetings and discussions with the technical team in Lusaka.

This document has aimed to capture and summarize the major insights from all of these activities.

Several acronyms are used:

- FS *Field Staff*, referring to PROFIT’s technical staff based out of Lusaka.
- AB *Agri-Business*, referring to the private sector firms PROFIT works with.
- HQ *Head Quarters*, referring to PROFIT’s management based in Lusaka.

## Improvement Strategy

The following is a brief summary of the recommendations justified and explained in this document. To better support field staff, PROFIT HQ can:

- ***Increase Communication from HQ to field staff.***
- ***Develop Regional Teams to foster innovation, communication and learning.***

- *Break-down Hierarchy* to allow for free communication and optimum field performance.
- *Un-filter Communication* to ensure management sees the real picture.
- *Improve Organizational Culture* to one that is compatible with the approach.
- *Foster Innovation* at the field level to accelerate progress along the pathway.
- *Optimize Motivation* of field workers.
- *Create a culture of Feedback* channels for personal and technical issues.
- *Bring Together Technical and Administrative Teams* for motivation and cohesion.
- *Enhance FS Understanding of the Approach* to better guide decision making in the field.
- *Increase FS Abilities* to empower field staff to take effective action.
- *Improve Technical Support* offered to field staff.
- *Fix Basic Communication* methods and tools.
- *Communicate HR Decisions* more transparently.
- *Tweak Remuneration* to motivate and compensate fairly.
- *Use This Assessment* to improve management methodology and systems.

# 1. Changes in Motion

---

This section summarizes and comments on several changes currently in motion.

## 1.1 Increase Communication:

PROFIT is taking action to better communicate major changes and events throughout the organization.

### Analysis:

- Many major events and changes (ie. promotions, transfers, policy changes, personal updates, and technical breakthroughs) go unannounced within PROFIT. This leads to misunderstandings, disconnection, and a feeling of un-transparency for FS.

### Actions:

#### ***Prepare and distribute an internal ‘Bi-Weekly News Flash.’***

- This simply formatted update can include (1) personal updates, (2) innovator of the week, (3) HR changes, (4) technical updates, (5) regional updates, (6) admin updates, (7) interesting literature, (8) staff updates, and (9) business partner updates.
- This letter will be centrally compiled and distributed by Jonathan who will take submissions from different people. For many, distribution could be by email only, while some FS will need printed copies sent out.

#### ***Promptly and formally announce MAJOR HR changes.***

- Even with the bi-weekly newsletter in place, it is important to promptly announce major changes (ie. HR changes). This will use the same flash channel, but will aim to be formally announced before word of mouth propagates.

## 1.2 Develop Regional Teams:

PROFIT has launched monthly regional team meetings to foster innovation, communication and learning.

### Analysis:

- Since the industry teams were not fitting today’s PROFIT, regional teams were launched and refocused. The hope is that this forum will provide a safe environment for FS to interact, plan and learn together. They will be self governed but assigned certain tasks by HQ as needed.

### Actions:

#### ***Launch and refocus Regional Teams.***

- A number of ideas have been discussed to incorporate in the regional team meetings: (1) innovation contest, (2) focal leaders – regional teams being assigned a specific technical area to innovate on, (3) 1 day field visits, 1 day team meeting, (3) rotating host, and (4) monthly regional report compilation.
- Things to get right: (1) build ownership by giving the team freedom to determine objectives and process, (2) create openness by not sending a bunch of LSK representatives for the first several meetings, (3) regularity, there is a risk that the meetings won’t happen, commit to doing them monthly for six months and then re-evaluate.

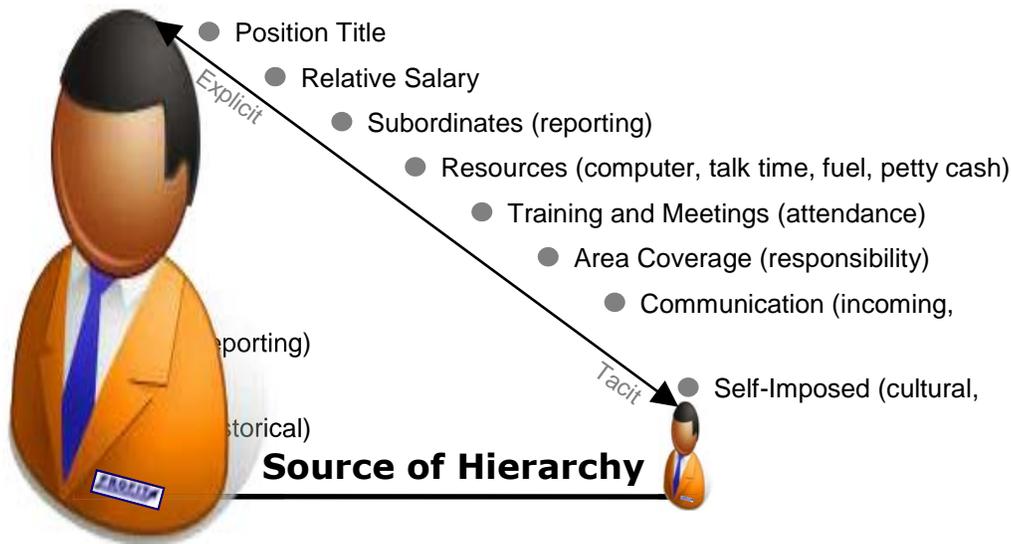
- An administrative team will also be created and integrated into the team system.

### 1.3 Break-down Hierarchy:

PROFIT's approach requires quick and open communication, fast and flexible action, and continuous learning and all levels. To achieve this, a non-hierarchical and un-bureaucratic organisation is needed.

#### Analysis:

- **Informality vs. Hierarchy:** While it is true that PROFIT is an informal organisation (ie. a field worker can freely walk into the COP's office and call him by his first name) it is not necessarily free of hierarchy.
- The most attractive opportunity is to break-down hierarchy between **Regional Managers and District Facilitators**.
- The following diagram show's there are many more source of hierarchy than just title and pay.



- Generally, PROFIT managers were agreeable to leveling hierarchy for better field performance but had concerns over the conflicts that would certainly arise if done too directly or too quickly.
- It seems the top three things to get right to breakdown hierarchy is to (1) have each FS independently responsible for an area, (2) give FS sufficient resources to do their job, and (3) create direct communication and reporting channels to HQ for all FS.

#### Actions:

- ✓ **Start with low risk levelling changes.**
  - First address low risk areas such as area responsibility, access to resources, and direct communication channels to HQ.
- ✓ **Eventually re-launch job titles and formally remove old structure.**
  - RB has ideas on what this would look like. Only do this when it makes sense and is likely not to create major conflicts.

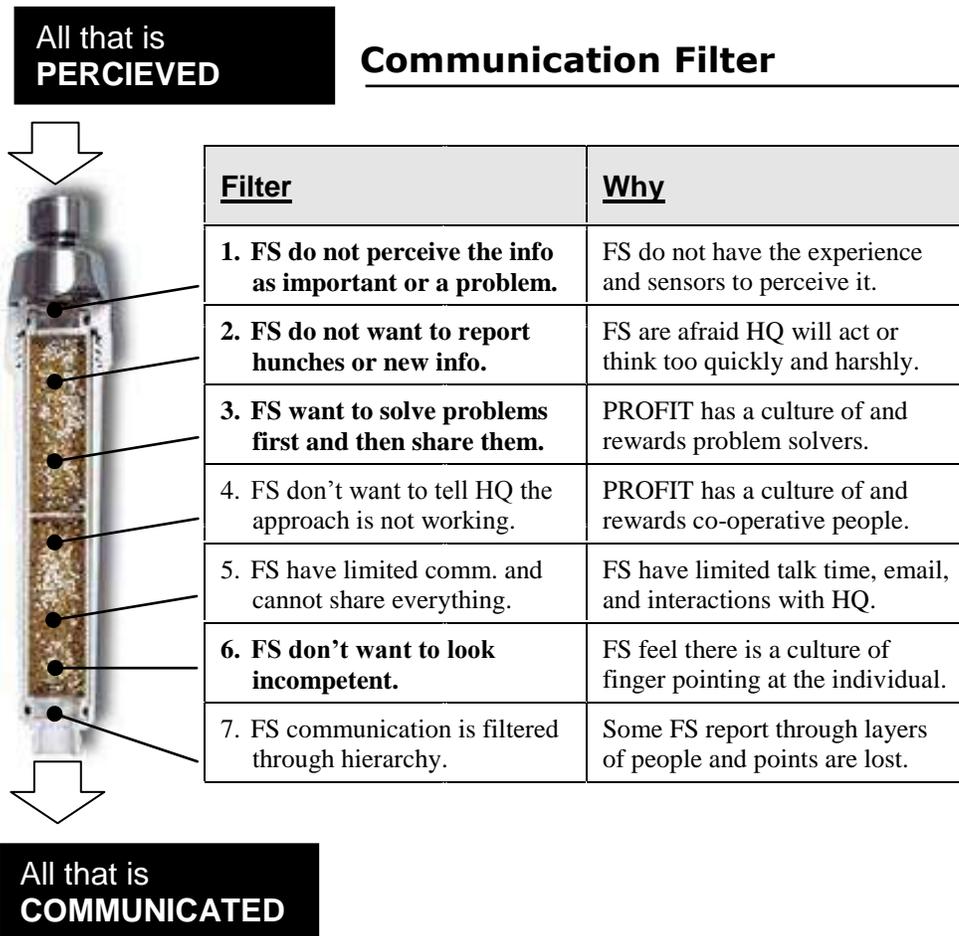
- Continually reinforce that PROFIT is a flat, team-based organisation.***
  - Do this both through communication and through practice.

## 1.4 Un-filter Communication:

PROFIT's approach requires open and honest communication from FS to the head office to allow for adequate learning and tweaking of the technical approach.

### Analysis:

- There is indeed a tendency for FS not to communicate freely to head office. This is suspected by HQ and is admitted by FS, and it results in filtered communication.
- Filter effects include: (1) delaying to report certain issues, (2) writing flowery reports, and (3) not freely admitting when things just aren't working. However, there are good reasons why these blockages occur in order to eliminate them.



### Actions:

- ✓ **Understand and eliminate communication filters.**
  - Eliminating the blockages explained above is far from trivial, however a few starting suggestions include:
    - Filter #1: Training and experience.
    - Filter #2: Create an 'hunch label' and HQ should be less jumpy.
    - Filter #3: Change definition of problem solvers and reward those who share.
    - Filter #4: Reinforce the desire to hear problems and punish submissive actions.
    - Filter #5: Increase the amount of regular communication and interaction.

- Filter #6: Better explain HR decisions and confront the finger pointing culture.
- Filter #7: Eliminate the District Facilitator to Regional Manager hierarchy.

*Have an open conversation about these filters with FS and brainstorm solutions together.*

## 2. Organizational Culture

---

This section discusses organisational culture and makes several related recommendations.

### 2.1 Desired Organisational Culture:

PROFIT requires an organisational culture that is end goal driven, communicative, innovative, and focused on continuous learning.

#### Analysis:

- Measuring organizational culture is difficult as it comprises the cumulative attitudes, experiences, beliefs and values of an organization. Obviously a full analysis is out of scope, but a few comments on FS culture is possible.

#### **Desired Culture:**

**End Goal Driven:** PROFIT FS are end goal driven but there is an opportunity to be more so by eliminating hierarchy and empowering field staff.

**Communicative:** PROFIT can increase the quantity and quality (blockages) of internal communication; this was touched on in the previous section.

**Innovative:** PROFIT can further develop a culture of creativity and innovation at the field level, described in a later section.

**Continuous Learning:** PROFIT can improve learning through improved communication, reporting, and training as discussed in a later section.

- “*Voice from the Field*” captures how FS self-define the culture of PROFIT. From this analysis, one particular elements of organizational culture must be eliminated; a culture of Fear.
- **A Culture of Fear:** The two rounds staff cutbacks, an administrative shake-up, an intimidating Chief of Party, and certain aggressive interactions have instilled a sense of fear within FS. They are afraid that if things do not move in their area, fingers will point at the individual who will be personally blamed and their contracts terminated.
  - Defensive characteristics: (1) block communication, (2) write flowery reports and (3) avoid taking risks.
  - Offensive characteristics: (1) share problems, (2) take risks, and (3) think and act innovatively.

#### Actions:

##### **Transition FS from ‘Defence’ to ‘Offence’**

- This is an ongoing process rather than an actionable item ; a few suggestions include:
  - Openly discuss the past and show how the situation has changed.
  - Create security through continuous affirmative communication (memos of appreciation) and by offering longer contracts (2 year).
  - Be more transparent on decisions and promotions to avoid people assuming the worst (ie. he got promoted because I’m not good enough).

##### **Create a whole set of incentives to encourage risk taking.**

## 2.2 Innovation:

PROFIT requires innovative field staff.

### Analysis:

- Of the various elements of required organisational culture, innovation and risk taking is perhaps the weakest.
- A few possible reasons include: (1) Freedom to React, (2) Part of the Job, (3) On the Defense, (4) Afraid to Deviate, and (5) Cultural Tendencies.
- **Freedom to React:** Innovative and quick decisions (reading and reacting) are characteristics of people who feel empowered to make decisions and take actions. The current structure is asking for people to read and react, but is not giving them the freedom to react in terms of Authority and Resources.

### **Freedom To React:**

**Authority:** FS do not have the authority to make quick decisions (ie. date on a big event, which people to be trained, cost sharing a promotion, etc.). They feel the need to have most decisions “approved.”

**Access to Resources:** FS do not always have the resources (time, fuel, talk-time) to capture opportunities they see. For example taking a trip to a distant area requires extra fuel and per-diems, all of which have to be approved creating barriers and making action less likely.

- **Part of the Job:** FS do not feel that being innovative is a core function of their job. When looking at the coach, mediator and investigative reporter framework, innovation was never emphasized.
- **On the Defense:** As discussed above, FS are on the defense hence not likely to be innovative.
- **Afraid to Deviate:** As discussed in detail later, a big part of how FS understand the approach is through rules (no subsidies, etc.). FS are afraid to break the rules or to give the perception that they don’t know the rules and hence will not try anything that might be against them. They don’t say “do I think this is a good idea” rather they think “would management think this is a good idea.”
- **Cultural Tendencies:** FS have a cultural tendency to be risk adverse.

### Actions:

- ✓ **Launch the innovation contest through regional teams.**
- ✓ **Create more security by pushing for two year contracts.**
  - Realize this may be impossible. See contract negotiations in a later section.
- ✓ **Create more security through strategic messaging and affirmation.**
- ✓ **Increase and clarify boundaries on authority and access to resources.**
  - Revive participatory budgeting. Ideally staff would just propose changes when they are constrained.
- ✓ **Demand innovation by incorporating it as the forth function of the job.**
- ✓ **Make it safe to discuss practical ideas, even if they edge in on ‘breaking the rules’.**
  - Through regional teams and the innovation contest.

- ✔ *Create a more formal process to safely propose innovative ideas.*

### 2.3 **Motivation:**

PROFIT requires highly motivated FS.

#### Analysis:

- My opinion is that FS are generally quite motivated. Regardless looking at what motivates FS is interesting and yields a few areas that could perhaps be enhanced. The following list came out from asking FS what motivates them.

<b>Sources of Motivation:</b>
- Ownership of Process
- Appreciation and Affirmation (personal and public)
- Accomplishable Goals
- Remuneration (salary, allowances, per-diems)
- Sense of Team
- Personal Learning and Development
- Link to Bigger Picture (development)
- Social Status
- Access to Resources (vehicle, laptop)
- Performance Incentives (bonuses, promotions, PE)

- From this list there are opportunities to amplify (2) Appreciate and Affirmation (4) Remuneration (for District Facilitators) (7) Link to Bigger Picture (10) Performance Incentives.

#### Actions:

- ✔ *Give more personal and public appreciation for work well done.*
  - Innovator of the week and personal achievement memos.
- ✔ *Pay District Facilitators more.*
  - Realize this may be impossible. See contract negotiations in a later section.
- ✔ *Provide more opportunities to for FS to link their work to the bigger picture.*
  - Quarterly reports, annual review, progressions to right hand side of pathway.
- ✔ *Create a ‘Culture of Performance’ with an entire set of performance incentives.*
  - Explore if it is possible to link desired outcome indicators to cash (or other) incentives. (innovator of the week, bonus structure)
- ✔ *Start actively marketing resources and technical support.*
  - Instead of blindly distributing resources, HQ will put more attention into marketing (ie. sending out teasers for good articles instead of sending out full articles).

## 2.4 Culture of Feedback:

PROFIT can gain from instituting a culture of technical and personal feedback.

### Analysis:

- Continually improving requires continually consulting others for feedback.
- Ability to ask for, give, and receive meaningful feedback (both internally to PROFIT and while working with AB partners) varies highly within FS. Some regularly ask for and give feedback, while others either have a hard time delivering critical feedback or become defensive with receiving feedback.

### Actions:

#### ***Develop the culture of feedback.***

- Kick it off with a short workshop on giving and receiving feedback. Aim for 360 degree feedback.

#### ***Use regional teams as a safe platform for feedback.***

- Creating strong feedback cultures internal to team but ALSO between levels (ie. Regional team to HQ).

## 2.5 Technical and Administrative Split:

PROFIT's administrative decisions greatly affect the technical work and vice versa.

### Analysis:

- PROFIT has a very apparent technical and administrative split. While this does have some benefits the following issues seem to suggest they should be more integrated:
  - FS have allusions that it's a full split and are frustrated that key decisions are made by people with no technical relation.
  - When technical staff from HQ visit the field, often times conversations are clouded by administrative issues.
  - The admin department cannot understand the urgency and significance of certain activities and are less motivated without a connection to the technical work.
- PROFIT HQ does not have a strong sense of team as 'the office.' People are unaware of what other people are working on and how they can help each other.

### Actions:

#### ***Further explore integration (admin and technical) to determine if they should and how they could.***

#### ***Push hard for and actively schedule field visits for all admin staff.***

- It's been discussed for a long time, but never happens do to high workloads.

#### ***Deliberately develop a sense of team for the 'team' working together at HQ.***

#### ***Better integrate the Chief of Party into technical discussions and vice versa.***

#### ***Asses Staff Representatives system to either revive it or figure out a better way.***

### 3. Approach and Abilities

---

This section discusses FS understanding of approach and their abilities as market facilitators.

#### 3.1 FS Understanding of the Approach:

PROFIT's success is dependent on having FS that truly understand the approach.

##### Analysis:

- **FS understand the approach fairly well.** They have internalized the basic concepts and are able to make and understand decisions consistent with the approach. They reference past trainings, official documents, and technical decisions made.
- The limitations to their understanding are:
  - **Rules based:** One shortfall is that the understanding seems to be rules based. It's easy to understand "PROFIT does not do handouts" but more difficult to understand the gray areas of strategic subsidies. Much of the understanding seems to be based around behaviors, rather than foundational principles.
  - **LHS of pathway:** Generally FS' understanding is biased to the left hand side (LHS) of the pathway. This is obviously because this is where they are spending their time but it will be important to emphasize and actively get FS thinking about the RHS and what it will take to get there.
  - **Conceptual tools:** The conceptual tools, especially the pathways and value chains, are helpful and referenced commonly. However, they are a bit removed from the practical work and hopefully can be better integrated. Furthermore, there may be ways to improve the conceptual tools in reference to the RHS.
- **New FS** lag a bit and should have extra training and interaction with those very fluent with the approach.
- **Trainings** are one of the main methods for building FS understanding of the approach. Consultations with FS have produced several recommendations on how to improve the trainings. They have been captured below. Furthermore, FS have reported that traveling trainings are particularly effective and encourage more.
- **Working with HQ:** FS have reported that the MOST effective way to learn the approach is to work closely with members of staff from HQ. Inward staff exchanges, exchanges into the HQ, would be a great way to foster this type of learning and interaction.
- Sometimes the best way for people to learn is to teach. PROFIT can start devolving training down to FS to concretize learning.

##### Actions:

- ✓ **Devolve training to 'FS training FS' on the approach.**
  - Prepare resources and train the trainers, one FS for each regional team meeting.
- ✓ **Test an inward staff exchange. (If effective, start promoting regularly)**
- ✓ **Integrate conceptual tools into reporting.**
- ✓ **Improve and continue integrating conceptual tools into all trainings.**
- ✓ **Improve training effectiveness by:**
  - Regularity, schedule all training and stick to it.

- Advance notice, send out exact dates, agenda and materials well in advance.
- Watch vocabulary, be careful not to use catch phrases and ensure all understand.
- Repetition, do not be afraid of repeating important and sophisticated content.

*Do more traveling trainings when it makes sense.*

### 3.2 FS Abilities:

Beyond an understanding, FS need the abilities to read and react to market signals and facilitate markets effectively.

#### Analysis:

- **FS have the basic abilities** to do their jobs. It varies person to person, some are particularly strong in the community while other shine with the private sector interactions.
- Much of the FS work is non-technical. CLUSA used to have a strong focus on non-technical professional development which seems to have been lost with PROFIT. The following non-technical areas should be considered. Many resources already exist on these topics that could be modified and used for training.

#### **Non-Technical Professional Development:**

- Effective Communication
- Strategic Thinking
- Creative Thinking
- Feedback
- Building Relationships
- Negotiation, Influence and Persuasion
- Coaching

- The following technical professional development would also enhance FS abilities to do their jobs effectively.

#### **Technical Professional Development:**

- The 5 Day MBA.
- Business Exposure (more real life business exposure)
- Basic Accounting
- Computer Training (focus excel)

- **Professional Development Plans** are a great tool for self-driven professional development both technically and non-technically.
- **Not maxed out:** Throughout this process I have been continually impressed with the calibre of PROFIT's FS. By no means do I think they've been maxed out. The FS are a great asset and PROFIT should appreciate it and continue pushing them hard and investing. They are capable of more than they do now.

#### Actions:

*Prioritize and select 1 technical and 1 non-technical area to train on in the next six months.*

*Start offering elective after hours training when people are in Lusaka.*

- Computer training (Excel with Chisi) could be a good starting point.

*Do more on site (travelling) trainings for technical issues.*

***Encourage staff to create professional development plans.***

- EWB certainly has resources in this area.

***Keep pushing hard and investing in these FS.***

## 4. Technical Support

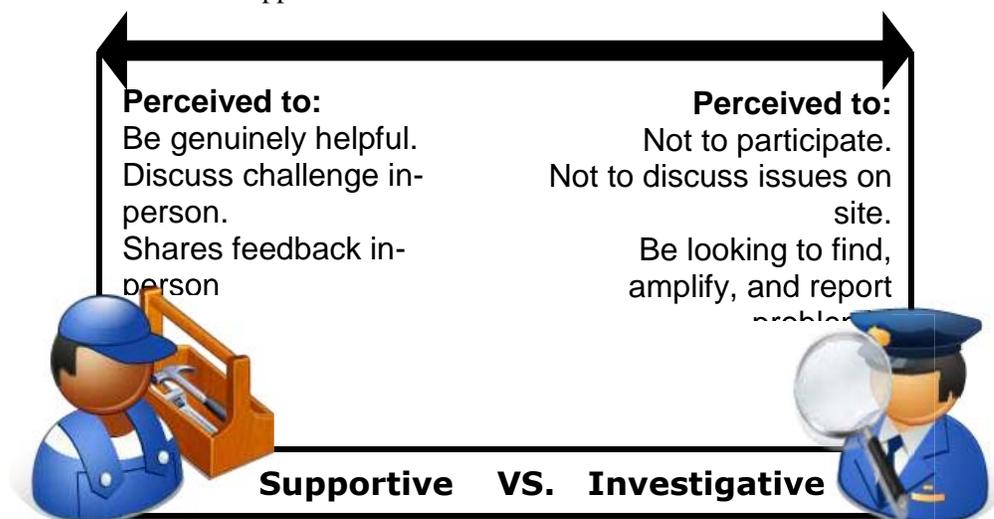
This section comments on the technical support that PROFIT offers FS.

### 4.1 Technical Support:

PROFIT's sophisticated approach and continually changing activities requires high quality, real-time technical support.

#### Analysis:

- Technical support stands out as a **major strength** of PROFIT. FS are generally content and explain that it always helps them overcome challenges. I hypothesize that PROFIT's technical support is directly responsible for many of the field level outcomes observed. Even-though, there are always opportunities for improvement.
- Particularly the **field visits** are reported as most beneficial. FS have report two distinct types of field visits and support:



- When discussing the quality of technical support. Those offices nearer to Lusaka had much higher ratings of the quality and quantity of the technical support they received.
- Some FS report technical support that is **over controlling**. Perhaps at times the technical supporters get too focussed on solving a problem, when they should be focussed more on building the FS' capacity to solve problems.

#### Actions

- Keep doing what you're doing, it's excellent.**
- Be supportive not investigative.**
- Focus on supporting the FS not exclusively solving problems.**
- Distribute technical support more evenly.**
  - Try to create more demand in certain areas.
  - Track visits on a calendar to ensure even distribution.
- Explain all decisions to FS.**

- Each field visit is an opportunity to train. HQ will explain the rationale behind decisions to continually sharpen FS understanding.

## 5. Basic Communication

---

This section captures the recommendations related to basic communication.

### 5.1 Basic Communication:

PROFIT needs good communication to succeed.

#### Analysis:

- **Talk Time is a MAJOR Barrier:** FS who receive 100PN per month feel that it is enough if they budget carefully. Others receiving 25PN or 50PN complain to say that something as petty as talk time is one of their major limiting factors in the field. Sometimes they supplement with their personal funds, but when not, they are forced to be bad communicators and waste fuel and time. Overall this makes them less effective market facilitator. District facilitators communication loads are not much less than that of a regional manager.
- **Internet Access:** FS want reliable internet access. Cafes are dangerous (viruses) expensive (up to 500k per min) and waste time and fuel driving to them.
- **Email:** While now nearly all FS are on email, it is still unreliable in that email may bounce or the person may not check for weeks. RB has a great practice of texting FS after he has sent an important email. This e-communications would be much more reliable if formalized.
- **Access to Computers:** Six FS still do not have access to computers. While rational arguments can be made that they do not need them enough to justify the expense and headache associated with procuring laptops, FS without computers take several major hits:
  - Their communication is decrease. They are less able to participate in email dialogue and access soft copies of documents and other tools sent by HQ.
  - Their professional development is capped in a pretty important area, ICT.
  - They are unable to help their private sector partners with computer related activities (budgeting, marketing, etc.).
  - They feel inferior to others and self impose hierarchy (as discussed above).

#### Actions

- ✓ **Launch an SMS platform to communicate with FS.**
- ✓ **PROFIT must equip FS with sufficient Talk Time.**
  - Recommended minimum 50PN for all FS with jumps to 75 or 100 available upon reasonable justification.
- ✓ **Get internet access for all office.**
  - The best option may be to buy company GSRM phones (400PN) that can be easily connected to laptops to access internet. HQ will promptly pilot this idea.
- ✓ **Drive an email formalization process which could include:**
  - Profit List-serve ([admin@profit.org.zm](mailto:admin@profit.org.zm), [all@profit.org.zm](mailto:all@profit.org.zm), etc.)
  - All FS using Outlook to manage email
  - Consider creating PROFIT exclusive addresses
  - Quit forwarding large entertainment forwards through PROFIT channels
- ✓ **Procure computers for remaining field staff.**

## 6. Human Resources

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This section discusses topics related to human resources (HR).

### 6.1 HR Decisions:

PROFIT requires the right people doing the right jobs to be effective.

#### Analysis:

- **Transparency:** Transfers and promotions are viewed to be un-transparent and un-communicated. FS want them to be advertised, justified and publicized. This affects motivation.
- **New Staff:** FS have reported a disconnection between new hires and the old CLUSA staff. The old CLUSA family is not particularly inclusive. Some of this is due to envy, but it is certainly amplified due to limited interaction and different training bases and backgrounds.

#### Actions

- ✓ **Create transparency and communication in HR decisions.**
  - HQ should advertise openings and then properly announce decisions as soon as they are final.
- ✓ **Better integrate new staff into the program by:**
  - The regional team structure should help.
  - Proper introductions and deliberate team building,
  - Extensive exchange visits at beginning,
  - Lots of interaction with people who know the approach well.

### 6.2 Remuneration:

Remuneration is a major component of motivation.

#### Analysis:

- **Contract Length:** The 12 month contract cause three problems. (1) it affects FS abilities to access bank credit, (2) it decrease their feeling of job security, and (3) it affects their severance and tax bracketing in the Zambian system.
- **Un-aware:** FS have the perception that if management only wanted to they could simply change salaries, allowances and other financial policies. They do not realize the limitations coming from CLUSA Washington and USAID.
- **Too Late:** Obviously major changes regarding conditions of service are hard to make after contracts are signed. This year staff just signed contracts without a healthy contract negotiation process.

#### Actions

- ✓ **If possible offer two year contracts.**
- ✓ **Better explain limitations and reasoning to FS surrounding their concerns.**
- ✓ **Encourage and support FS through a contract negotiation process next year.**
- ✓ **Improve performance evaluation process.**

- The performance evaluation process will be put on hold until it has been carefully modified and re-launched. Good PE systems are quite sophisticated.

## 7. This Assessment Process

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### 7.1 Assessment Process:

PROFIT arranged for this outside assessment of how well management is supporting field staff.

#### Analysis:

- PROFIT is committed to constant improvement and recognizes value in having outside people assess the program. Some of the outsider's recommendations are dead wrong, some dead on and others not useful directly but hint at issues worth exploring. I hope this assessment has been useful in some way.
- PROFIT management has been very supportive and open during the process.
- FS were also supportive and open and seemed to appreciate being consulted.
- This field visits could have been accelerated since I was already familiar with the people and the program. Learning and insights after five days were not that much more than after two. This would have allowed me to participate in implementation.
- The iterative sharing was effective. Many good ideas and 'reality checks' came through the update meetings and continuous conversations.
- Overall the task has been interesting for me and has added to my personal learning.

#### Actions

- Review certain issues from "Voices from the Field" with FS at the next meeting.*
  - Top 9 hot issues.
- Repeat this outsider assessment process in one year.*
- Share these thoughts with Marshal Bear to help guide the next annual review.*
- Create an action plan based on these recommendations.*

## Conclusions

The purpose of this assessment was to generate insights and recommendations to help PROFIT better support field staff achieve better results in the field. While many recommendations have been made, one thing has become particularly clear. ***PROFIT is a unique, progressive and effective organisation with high quality people at all levels.*** This is to say that overall PROFIT is doing an amazing job at supporting field staff and the recommendations here are only fine tune adjustments.

With such a large number of recommendations, it's difficult to sort for priority. But I feel these major themes are most important. This next year PROFIT should:

1. Improve communication and transparency on decision making,
2. Break down hierarchy and the culture of fear,
3. Focus on innovation and risk taking in the field,
4. Continue to invest in and push field staff,
5. Anticipate 'tomorrow's PROFIT' and prepare for it, and

6. Stay committed to the culture of constant improvement.

PROFIT is committed to supporting their field staff well and that will surely lead to good results.