

Project Completion Report Validation

Smallholder Agribusiness Promotion Programme Zambia

Date of validation by IOE: May 2019

I. Basic project data

			Approval		Actual	
Region	East and Southern Africa	Total project costs (US\$ m)	25.470		23.312	
Country	Zambia	IFAD loan and percentage of total (US\$ m)	20	78.5%	18.486	79.3%
Loan/grant number	Loan: I-785-ZM Grant: COFIN-SEC-785-ZM	Government of the Republic of Zambia (US\$ m)	1.504	5.9%	0.969	4.2%
Type of project (subsector)	Marketing/Storage/Processing	Beneficiaries (US\$ m)	1.964	7.7%	1.860	8.0%
Financing type	F - IFAD-initiated and co-financed	Republic of Finland (US\$ m)	1	3.9%	0.997	4.3%
Lending terms	Highly Concessional	SIDA (Government of Sweden) (US\$ m)	1	3.9%	1	4.3%
Date of approval	15 Sep 2009					
Loan signature date	20 Jan 2010					
Effectiveness date	20 Jan 2010					
Loan amendments	No	Number of beneficiaries	30,000 HH direct		42,542 HH direct 25,913 HH indirect	
Loan closure extensions	No	Programme completion date	31 Mar 2017		31 Mar 2017	
Country programme managers	A. Barrios (current) A. Benhammouche (2013-2018) F. Nakai (2011-2013) E. Heinemann (2010) C. Ferreira (2009-2011)	Loan closing date	30 Sep 2017		30 Sep 2017	
Regional director(s)	S. Mbago-Bhunu (2018) S. Jatta (2015-2018) P. Saint Ange (2012-2015) I. de Willebois (2006-2011)	Mid-term review			Nov 2014	
Project completion report reviewer	C. Deshpande	IFAD loan disbursement at project completion (%)			99.99% in SDR 93% in US\$ ¹	
Project completion report quality control panel	Shijie Yang F. Nakai; F. Felloni	Date of the project completion report				

Source: PCR 2017, ORMS 2018.

¹ SAPP incurred a US\$1.4 million exchange rate loss.

II. Project outline

1. **Introduction.** Despite abundant land resources, Zambia's agricultural sector was underperforming in 2009. Although 60 per cent of the population derived their primary livelihood from agriculture, the sector only contributed 18 per cent of the national GDP due to low productivity. Agribusiness was identified as a potential driver for rural economic development and the Government of the Republic of Zambia promoted the commercialisation of small-scale agriculture as the main driver of poverty reduction by generating sustainable incomes from farming as a business.
2. The Smallholder Agribusiness Promotion Programme (SAPP) aimed to reduce rural poverty by bringing about broad-based rural economic development driven by the market-led transformation of small-scale producers into profitable farmers through public-private partnership. This was to be achieved through: i) direct interventions in selected agricultural value chains which connected small-scale farmers to markets; and ii) addressing key weaknesses in the enabling environment for rural commercial development.
3. SAPP received board approval on 15 September 2009. The IFAD financing agreement was signed and entered into force on 20 January 2010 for a period of seven years. The programme completed as originally scheduled on 31 March 2017 and closed on 30 September 2017.
4. **Project area.** SAPP was national in scope but interventions were largely targeted to areas where the production of selected commodities was concentrated and where market integration and value chain development were most feasible. With a commodity rather than geographic focus, the Programme design did not envisage implementation in remote districts with poor infrastructure, low population density and limited agricultural potential. Activities were carried out in about 40 districts and 10 provinces across Zambia.
5. **Project goal, objectives and components.** The overall development goal of the Programme was to increase incomes of 30,000 poor rural households involved in production, value adding and trade of agricultural commodities. The objective was to increase the volume and value of agribusiness of small-scale producers. This was to be marked by a significant expansion and increase in efficiency of value chains of selected commodities. The project had two components: (i) more efficient value chains; and (ii) enabling environment for agribusiness development.
6. **Component 1 - More efficient value chains** aimed to improve the efficiency of value chain operations by directly facilitating small-scale agribusiness development and rural commercialization. The component had two subcomponents:
 - a. Subcomponent 1.1: Agribusiness Value Chain Analysis entailed selection of priority commodities through value chain analysis and mapping; identification of constraints at different links of the selected value chains; and development of Intervention Plans (IPs) for the selected commodities.
 - b. Subcomponent 1.2: Agribusiness Value Chain Intervention Plans (IPs) aimed to resolve the identified weaknesses to enhance the efficiency of value chains and the implementation of IPs using a Matching Grant Facility (MGF) with three different windows: (i) Small Grant Facility for local area-based activities; (ii) Medium-Sized Grant Facility for small subprojects/activities already identified in a given commodity's IP; and (iii) Competitive Large Grant Facility for agribusiness innovations involving partnerships between value chain actors and target group smallholders.
7. **Component 2 - Enabling environment for agribusiness development** aimed to address critical constraints in the enabling environment for rural commercial development through its two subcomponents:

- a. Subcomponent 2.1: Ministry of Agriculture and Livestock (MAL) Capacity to Support Agribusiness Development had five activities: i) formation of a comprehensive agribusiness development framework; ii) improvement of the competencies related to agribusiness trade and policy analysis; iii) refinement of policies, legislation and regulations; iv) capacity building of the Agribusiness and Marketing Department (ABM); and v) improvement of knowledge management and partnership arrangements. Interventions under Subcomponent 2.1 were coordinated with supplementary activities funded by the US\$2 million grant financing provided by Sweden and Finland which included: i) improving food security information and its quality; ii) strengthening the capacity of the monitoring and evaluation function of MAL; and iii) improving sectoral coordination at Provincial and District levels.
 - b. Subcomponent 2.2: Programme Management focused on establishing the Programme Management Unit (PMU) comprising a Smallholder Agribusiness Promotion Programme Office (SAPPO) and its associated Technical Support Team (TST).
8. **Target group.** SAPP's primary target group was to comprise commercially-oriented small-scale farming households that were organised into business groups or those who had the potential and inclination to join groups that could be linked to markets. The Programme aimed to benefit 30,000 small-scale farming households, of which 80 per cent were considered to be poor and 66 per cent extremely poor. Thirty per cent of beneficiary households were meant to be female-headed. By completion, the Programme covered 42,542 households as direct beneficiaries; 54 per cent of which were female-headed households.
9. **Financing.** Table 1 shows approved and actual project costs by financier. The actual total cost of SAPP was US\$23.31 million, which is 92 per cent of the total cost estimated at appraisal (US\$25.47 million). IFAD's loan represented 79.3 per cent of the financial resources of SAPP, while Sweden and Finland both contributed to 4.3 per cent with their grants totalling US\$1 million. While IFAD disbursed 99.99 per cent of its financing in special drawing rights, only 92 per cent was disbursed in terms of US dollars due to exchange rate losses. All financiers disbursed more than 95 per cent of their commitments except for the Government of Zambia whose disbursement rate was 64 per cent.

Table 1
Project costs

<i>Funding sources</i>	<i>Approved amount (US\$ million)</i>	<i>Approved amount (% of total)</i>	<i>Expenditure (US\$ million)</i>	<i>Expenditure (% of total)</i>	<i>Disbursement rate (%)</i>
IFAD	20	78.5%	18.486	79.3%	92%
Government	1.504	5.9%	0.969	4.2%	64%
Beneficiaries	1.964	7.7%	1.860	8.0%	95%
SIDA (Sweden)	1	3.9%	0.997	4.3%	100%
Finland	1	3.9%	1	4.3%	100%
TOTAL	25.470	100.0%	23.312	100.0%	92%

Source: Project Completion Report.

10. Table 2 presents estimated and actual project costs by component. Component 1, Component 2, and the supplementary grant-financed activities designed separately from SAPP, absorbed 55 per cent, 36 per cent, and 9 per cent of total project cost, respectively. Their disbursement rates were 81 per cent Component 1, 111 per cent for Component 2 and 102 per cent for the grant-financed activities.

Table 2
Component costs

Components	Estimate (US\$ million)	Estimate (% of total)	Expenditure (US\$ million)	Expenditure (% of total)	Disburse- ment rate (%)
Components within SAPP design					
1. More Efficient Value Chains	15.81	62%	12.81	55%	81%
1.1. Agribusiness Value Chain Analysis	0.98	4%	0.72	3%	74%
1.2. Agribusiness Value Chain Intervention Plans	14.83	58%	12.08	52%	81%
2. Enabling Environment for Agribusiness Development	7.66	30%	8.47	36%	111%
2.1 MAL Capacity to support Agribusiness Development	2.24	9%	2.11	9%	94%
2.2 Programme Management	5.41	21%	6.36	27%	118%
Total Component 1 and 2	23.47	92%	21.28	91%	91%
Grant-financed activities designed separately from SAPP design					
Improving Food Security Information System	1.26	5%	1.09	5%	86%
Strengthening M&E Systems for MAL	0.58	2%	0.79	3%	137%
Improving Sectoral Coordination at all levels	0.16	1%	0.16	1%	98%
Total grant-financed activities	2.00	8%	2.04	9%	102%
Grand Total	25.47	100%	23.31	100%	92%

Source: Project Completion Report.

11. **Project implementation.** The Ministry of Agriculture and Livestock (MAL)² had overall responsibility for SAPP implementation and coordination with District administrations. The day-to-day management was delegated to PMU/SAPPO established within the Policy and Planning Department of MAL. A Technical Support Team (TST) was to assist in implementing Component 1. SAPPO and TST were meant to be the PMU's administrative and technical arms. Various MAL departments were to provide support services in line with their mandate based on its decentralized institutional arrangements. The Ministry of Commerce, Trade and Industry was to be involved in the Programme review process and to provide support to TST. A Programme Steering Committee was to provide oversight and approve the Annual Work Plans and Budgets.
12. Implementation was initially delayed by: (i) the duplication and lack of separation of responsibilities within the PMU between SAPPO and TST; (ii) TST not involving relevant departments of MAL, key value-chain actors and district administrations in the key activities of value chain analysis and in the preparation of IPs; and (iii) delayed decision making by the Programme Steering Committee due to infrequent meetings and lack of quorum.
13. After the Mid-term Review (MTR) of November 2014, the programme management arrangements were streamlined by not renewing TST's contract and recruiting Commodity Specialists to oversee the process of IP implementation. Government also set up a subcommittee within the Programme Steering Committee to speed up decision making. Operations of the MGF were decentralized to the districts and provinces and the grant ceilings were raised.
14. **Intervention logic.** SAPP was designed to complement the investments by the Government of Zambia to improve agricultural productivity and production, by addressing constraints that prevented smallholder farmers from participating in agricultural value chains. SAPP was to inject financial and technical resources into

² Initially known as the Ministry of Agriculture and Cooperatives.

value chain systems selected for their relevance to poor smallholder farmers while at the same time increasing the capability of the MAL to provide support services for rural development. For market-oriented and semi-subsistence farmers, the programme sought to improve their market-oriented production, strengthen farmer organizations, promote value-addition, strengthen their business skills and promote market linkages across the entire value chain. Taking a phased approach, the programme was to first conduct value chain analysis for selected priority commodities and identify bottlenecks to be addressed through a series of actions and support elaborated in IPs using a MGF. Enhancing the capacity of MAL was to support an enabling environment for private sector-led rural commercial development. As a result, the intervention was to increase the efficiency of the value chains for selected commodities and enable small-scale farmers to improve their cash incomes through increased commercialisation.

15. **Delivery of outputs.** The programme's duration remained within the scheduled seven years despite an 18-month lag from loan effectiveness to the actual start of implementation. As a result, in the last two years of the programme 70 per cent of the outputs under Component 1 were realized and 80 per cent of the 307 subprojects funded through the MGF (Subcomponent 1.2) were approved. This section indicates the delivery of outputs by component.

Table 3
SAPP main outputs (planned and actual)

<i>Components/Outputs</i>	<i>Target</i>	<i>Actual</i>	<i>Percentage</i>
Component 1. More Efficient Value Chains			
<i>Output 1.1(1) Commodities selected and VC mapping and analysis taken</i>			
Number of Commodities Selected for IP Development	10	9	90%
Number of Investment Plans developed	8	7	88%
<i>Output 1.2 (1) Small-scale producers better able to respond to market demand and opportunities</i>			
Marketing Groups supported	1200	1099	92%
People trained in post-production, processing & marketing	10,000	8,096	81%
People trained in business planning & entrepreneurship	20,000	9,635	48%
Farmers trained in crop production & technologies	10,000	6434	64%
Farmers trained in livestock production technologies	10,000	0	0%
Production facilities constructed/rehabilitated	300	182	61%
Value of matching grants disbursed to Farmer Groups (ZMW)	11,340,00	35,443,87	312%
People benefited from matching grants to Farmer Groups	30,000	42,048	140%
<i>Output 1.2 (2) Enhanced capacity of value chain operators to engage in sustainable agribusiness activities enhanced</i>			
People trained in post-production, processing & marketing*	150	1273	849%
People trained in business and entrepreneurship*	400	643	161%
Value Chain Operators (processors, input suppliers, traders) benefited from Matching Grants **	30,000	133,073	444%
<i>Output 1.2 (3) Improved commercial relations and coordination among VC stakeholders and support services</i>			
Farmer networks/Apex organizations supported	30	12	40%
Input suppliers with outreach services at community level	100	31	31%
Contracts between small-scale producers and market operators	600	455	76%
Value of Matching Grants disbursed to value chain operators (ZMW)	4,410,000	2,764,842	63%
Commodity Trade organizations formed	10	14	140%
<i>Output 1.2 (4) Increased value added capacity to make existing and new agricultural products more available</i>			
Processing Facilities constructed/rehabilitated	50	60	120%
Marketing Facilities constructed/rehabilitated	50	65	130%
Production Facilities constructed/rehabilitated	125	182	146%

Value of Medium & Large Matching Grants (ZMW)	20,000	2,662,750	13%
People benefiting from Marching grants for Value-adding activities	180,000	133,073	74%
Output 1.2 (5) Improved access to market information by producers and VC operators			
People accessing advisory services facilitated by project	20,000	22,423	120%
Component 2. Enabling Environment for Agribusiness Development			
<i>Output 2.1 (1) Enhanced policies and practices that promote viable agribusiness as a poverty reduction strategy</i>			
Government officials and staff trained in policy research, policy development and regulatory framework	15	0	0%
Policies and legal instruments developed of improved	2	1	50%
<i>Output 2.1 (2) Increase capacity to deliver public good support services to small-scale farmers and other value chain operators</i>			
Value chain task forces established and engaged	10	0	0%
Government officials and staff trained	30	4	13%
Provincial and district staff trained in business and entrepreneurship skills	236	315	133%

Source: PCR log frame; BIA log frame; RIMS 2017.

*Not clear who the beneficiaries were. ** Figure is repeated as the number of people who benefitted from matching grants for value adding activities.

III. Review of findings

A. Core criteria

Relevance

16. SAPP was fully supportive of the overall objective of Zambia's Fifth National Development Plan (NDP) to develop an efficient, competitive and sustainable agricultural sector to ensure food security at national and household levels and to maximise the sector's contribution to GDP (Gross domestic product). In particular, SAPP was in line with the NDP's emphasis on commercialisation, public-private partnerships and the role envisaged for the public sector. SAPP was strongly aligned to the first thrust of the 2004-2007 Country Strategic Opportunities Paper to reinforce the promotion of smallholder commercialisation, including the establishment of equitable linkages between small-scale producers and agribusiness operators. SAPP partially addressed the second thrust to assist the more isolated rural population to raise their productivity, food production and incomes by expanding the outreach and relevance of services and investments to the poorest productive rural households, with emphasis on sustainable and affordable technologies. While Component 2 aimed at strengthening MAL's capacity to support agribusiness development, remote rural areas were generally excluded from the targeting strategy and there was not a strong focus on sustainable and affordable technologies.
17. Given agriculture contributed about 18 per cent to Zambia's GDP, despite 95 per cent of the population being engaged in agriculture at the time of design, SAPP's focus on increasing the volume and value of agribusiness through the participation of smallholder farmers in more efficient value chains was appropriate. The Programme's market-led approach was further meant to complement the investments that the Government of Zambia and other development partners were making for improving agricultural productivity. At design, it was estimated that, based on national poverty data, 80 per cent of direct beneficiaries would be poor households and 66 per cent would be extremely poor. Given the programme's commodity focus, pro-poor targeting and gender issues influenced which commodities and value chain interventions were selected. In this respect, the comparative advantage of poorer farmers and women was considered during commodity selection and value chain analysis. For example, most of the commodities selected were within the domain of women's traditional agricultural

practices resulting in female-headed households counting for 54 per cent of SAPP beneficiaries, above the 30 per cent target. However, the pro-poor targeting strategy was vague and lacked specific mechanisms to monitor and report whether SAPP was reaching these groups of poor people which was also cited as an issue in the Quality Assurance (QA) Review which recommended setting and monitoring specific targets to reach the poorest households.

18. Overall, the project design was relevant to achieve the project's objectives. The activities to strengthen smallholder producers groups, train small-scale farmers and provide them with infrastructure (through the MGF), coupled with a proactive facilitation of partnerships with higher level value chain actors could lead to smallholder farmers accessing better market opportunities and consequently sell larger quantities at higher prices. Higher cash incomes could translate into more savings, assets and better food security and nutrition. However, the relevance of the design was limited regarding nutrition and food security and specific mechanisms beyond the supplementary-grant funded improvement of the Food Security Information System were not included in the original design, though efforts were made to include nutrition during implementation.
19. It is not evident in the Project Completion Report (PCR) that SAPP fully operationalized the QA recommendation to ensure rapid implementation by selecting ex-ante two commodities for which IPs could be developed while the studies on the other potential commodities were being conducted. Early implementation of at least two IPs could have mitigated the impact of the 18-month implementation lag and allowed for greater results by completion in at least two commodities. The implementation modalities set out in the design also proved to be untenable. In particular, the creation of a TST within the PMU was costly and generated duplication of responsibilities and conflicts which affected SAPP's effectiveness and efficiency.³ Other important weaknesses of the institutional arrangements at design were: (i) unclear specifications of linkages between the PMU and relevant departments of MAL; (ii) lack of arrangements for inter-departmental collaboration within MAL; and (iii) the use of service providers who are not part of the relevant value chain for implementation of Value Chain Intervention Plans. The latter factor, although expediting the process, caused a lack of capacity building for the target group and weak partnership building, critical to the development of small business organizations and PPPs.
20. Although SAPP was highly relevant to Zambia's context, IFAD's Country Strategic Opportunities Paper, the government's NDP and other partners' interventions, its design showed some limitations in pro-poor targeting and in the quality of the logical framework, and, more importantly, the institutional arrangements set out at design proved to be untenable thus compromising SAPP's effectiveness and efficiency. *Therefore, project relevance is rate moderately satisfactory (4), one point below the Programme Management Department (PMD).*

Effectiveness

21. SAPP aimed to promote small-scale producers into profitable farmers through agribusiness and value chain development. It combined a targeted value chain approach with a national competitive matching grant fund for agribusiness investments. Overall, according to the PCR, the total households reached were 68,445 of which 42,542 smallholder households were direct beneficiaries actively involved in farmer groups, associations, and cooperatives; 54 per cent of which (23,080) were reported to be female-headed households. While the number of direct beneficiaries exceeds the original target of 30,000 households, the total outreach (68,445 households) is calculated based on the number of beneficiaries

³ SAPP PCR paragraph 40: "TST arrangement had proved quite costly and, most importantly, had created duplication of responsibilities and conflicts within the PMU."

that received MGFs for production, processing and marketing and it is not clear from the PCR data how direct beneficiaries "add up".

22. SAPP's stated development objective was to increase the volume and value of agribusiness based on the output of small scale producers. The achievement of its objective is measured against the outcome and output indicators based on data from the Beneficiary Impact Assessment (BIA), the Results and Impact Management System (RIMS) and Annual Programme Reviews. Although the BIA provides outcome-level data and makes comparisons with non-beneficiaries, the baseline and completion surveys were conducted only one year apart making the results particularly prone to exogenous factors. This section will assess the achievement of this objective based on the three main outcomes outlined below.

Outcome 1: Small-scale producers better connected to and better able to respond to market demand and value addition opportunities

23. Under Component 1 – More efficient value chains, ten commodities were selected based on a small-scale agribusiness sector review for which value chain mapping and analysis was conducted for six enterprises (small livestock, legumes, beef, rice aquaculture and cassava) to identify constraints, opportunities, actors and weak links. Seven value chain IPs were then prepared initially by TST however with limited participation by MAL and the value chain actors. As a result, the process for IPs prepared prior to the MTR lacked elements important for implementation such as facilitating engagement among value chains actors for matchmaking and partners; developing strategies to implement the chain and involving MAL institutions at provincial and district levels.
24. In support of the agribusiness value chain interventions, capacity building for farmer groups was done and support was provided to enhance the managerial, technical and financial capacity of targeted value chain actors. However, the PCR cites a number of problems prior to the MTR which affected implementation including the failure to create an enabling environment for value chain development and to promote public-private-producer partnerships, delayed process for matching grant approval, ineffective training of small-scale producers in business development and management, and limited promotion of linkages between small-scale producers and key value chain actors (i.e., processors, input supplier and traders).
25. As a result, although 92 per cent of the targeted 1,200 marketing groups were formed/strengthened, over 60 per cent had less than two years operational experience and require further capacity building. While the disbursement of matching grants to farmer groups was 312 per cent over target, 140 per cent of the targeted farmer groups, the number of producers benefitting from improved access to markets was only 41 per cent of the target (9,936 producers), according to BIA data. This relatively low level of access to improved markets may be attributed to the further need to facilitate agribusiness activities around the supported market-related infrastructure. The MTR (2014) supports this point citing inadequate partnership between value chain actors, and weak linkage to markets, partly due to excessive concentration on production operations and weak business plans.
26. Mixed results were achieved in relation to increased value-added capacity to make existing and new agricultural products more available to the market. Small-scale producers received training in improved production practices. As shown in table 3, in general these were less than targeted. In the case of beans and groundnut seed bulking centres were constructed and improved seeds were distributed in 2015/2016. For cassava, producers were trained in commercial production, provided planting materials and were linked to a brewing company for supply of high quality cassava chips. For rice, trained farmers were also linked to processors who provided inputs (improved seeds and fertilizer) and purchased paddy for

negotiated prices. For livestock, training, improved breeds were provided and bulking centres were established. According to BIA data, the volume sold for certain commodities increased such as rice (+190 per cent) and groundnuts (41 per cent), but decreased for beans (-43 per cent), sheep (-25 per cent), goats (-50 per cent) and fish (-52 per cent). No data was provided for cassava. The number of producers who received higher prices was 8,950 producers well over the 5,000 targeted and the increase in price for beans (60 per cent), groundnuts (91 per cent), rice (147 per cent) and beef (21 per cent) were over the 20 per cent target. However, the results of the BIA in terms of the volume sold and prices for commodities are fragile as they are only one year of change and may have resulted from exogenous factors rather than the value-adding. Such exogenous factors include the record-high inflation over 22 per cent in Zambia in 2016 and the reduction in national food supplies due to unfavourable weather conditions.

Outcome 2: Enhanced capacity of value chain operators and improved relations and coordination among value chains stakeholders and support services.

27. Outputs (training, matching grants) related to the enhanced capacity of value chain operators to engage in sustainable agribusiness activities were all well over their original targets (see table 3). However, improved commercial relations and coordination among value chain stakeholders and support services was not achieved. Related outputs were significantly below target with only 40 per cent of Farmer networks/Apex organizations supported, 31 per cent of input suppliers with outreach services at community level, 76 per cent of targeted contracts between small-scale producers and market operators and only 62.7 per cent of the targeted matching grants disbursed to value chain operators.
28. Thus, while the majority of the 50 farmer groups and associations managing processing and marketing facilities were rated positively for likelihood for sustainability, only 17 per cent of the farmer groups involved in SAPP had business relationships with value chain operators against a target of 80 per cent; and seven out of the targeted ten value chain operators were providing market extension to smallholder farmers, according to BIA data. Despite extensive training, the initial limited engagement between value chain actors cited under the first outcome impeded building their relationships and coordination.

Outcome 3: Enhanced policies and increased capacities to deliver public good services to small-scale farmers and viable agribusiness as a poverty reduction strategy promoted.

29. Capacity limitations of government staff at national, provincial and district levels were identified as key constraints for an environment favorable to rural agribusiness development. In particular, the strengthening of MAL capacity was a key central outcome of SAPP. Though capacity development activities for MAL were within target, the initial peripheral involvement of MAL with IP implementation and key value chain actors impeded the development of national capacity for value chain development.
30. Regarding increased capacity to deliver "public good" support services to small-scale farmers and value chain operators, performance was mixed with no value chain task forces established and engaged at the end of the project and only 13 per cent of government official/staff being trained. These taskforces were meant to be created for each commodity selected and were to include the value chain actors involved in the analysis and IP development to monitor and steer IP implementation. The lack of formation would have affected the creation of the partnerships that were central to SAPP's value chain approach.
31. **Overall assessment - Effectiveness.** SAP partially met its objectives due to the initial delayed start-up and lack of engagement of value chain actors and MAL. As most of the outputs were realized in the last 30 months of the programme, there

was insufficient time to form strong partnerships between small-scale producers, processors and other value chain actors. Thus, the establishment of facilities and especially the creation of market linkages for smallholder producers were less than satisfactory. *For this reason, the overall rating for effectiveness is moderately satisfactory (4), in line with the PCR.*

Efficiency

32. Although SAPP completed within the planned seven years, its mixed results were largely due to the fact that over 80 per cent of outputs were realized in the last 30 months of the Programme, near programme completion. The late implementation of outputs was primarily due to the fact that the first 18 months of the Programme were spent fulfilling disbursement conditions (due to government budget constraints) and the termination of the first Programme Manager's contract and resignation of the Financial Controller shortly after programme start-up.
33. Untenable implementation arrangements also contributed to the initial delays. The approach based on having a contracted private company (TST) within the PMU, and Service Providers in charge of implementing various IPs (they were in turn subcontracting other service providers) proved to be costly and ineffective, and thus inefficient. The PMU became operational in July 2010 and the TST, which was in charge of conducting value chain analysis and developing IPs, was recruited late and became operational only in August 2011.
34. The Matching Grant Facility Secretariat and Committee was also appointed only in July 2013. The processes related to the approval and administration of the Matching Grants were very slow. Regarding approval, on one side the Matching Grant approval process was long, requiring 14 steps; on the other, the limited attention paid to partnership building and training beneficiary groups in the development of IPs resulted in a large number of small and low-quality grant proposals. Regarding administration and supervision, the MTR noted that the MGF secretariat was composed of two staff members who had to supervise grants in 32 districts and that administration was carried out by TST, MGF secretariat and PMU of MAL with unclear separation of responsibilities. The MTR addressed these issues streamlining the approval process and introducing a screening of the grant proposals at the district level.
35. The actual programme expenditure was US\$23.31 million compared to the estimated programme cost at design of US\$25.47 million. Due to exchange rate losses, the project utilized 92 per cent of the estimated budget with the following disbursements: 92 per cent for IFAD, 64 per cent for Government of Zambia, 95 per cent for beneficiaries and 100 per cent for both SIDA and Finland.
36. The programme management costs (considering only subcomponent 2.2) increased from US\$5.41 million to US\$6.36 million, representing 27 per cent instead of 21 per cent of the total costs. However, the aggregate cost of the categories "SAPP Salaries, Allowances & Operating Costs", "SAPP Office Technical Assistance", and "Vehicles, Equipment & Materials" would represent 39 per cent of total expenditure. Importantly, the sum of US\$1.2 million that was initially unallocated was subsequently used to finance increased project management costs. At the same time, the budget allocated for the matching grant financing was reduced by US\$790,000 (28 per cent decrease) while that allocated to training activities, workshops and studies was increased by US\$604,000. In fact, compared to the original allocation, expenditures on vehicles, equipment and materials increased by 40 per cent and that of salaries, allowances, and operating costs by 48 per cent.
37. Considering the total cost of the Programme, cost per beneficiary was estimated at US\$170 at approval. However, the actual cost per beneficiary was US\$110 (35 per cent less). This was due to the fact that the actual number of beneficiaries was much higher than estimated at design (42,542 vs 30,000 households) and the

actual total cost was slightly lower than at design (US\$23.31 million vs US\$25.47 million) due to the exchange rate. These figures are above the average cost per beneficiary at approval for projects in Zambia (US\$83), but well below the ESA (US\$253) and IFAD (US\$288).

38. At design, the Economic Rate of Return (ERR) was estimated at 19 per cent with an income increase per beneficiary of US\$567. The PCR reported a final ERR of 94 per cent although the increase in income per beneficiary was calculated as US\$128. However, the way in which the ERR was calculated at design and at completion was clearly not comparable. Among other methodological issues, the calculation of the ERR done at completion takes into account only the costs incurred by beneficiaries (US\$1.86 million), while that at design considered the whole Programme cost (US\$20 million). Therefore, the ERR presented in the PCR cannot be taken into consideration.
39. SAPP reached substantially more beneficiaries than estimated at design and the overall programme cost declined due to exchange rate losses. Consequently, the cost per beneficiary greatly decreased compared to estimates at approval and was well below the average of IFAD's projects in East and Southern Africa (though above the average in Zambia). However, the programme experienced substantial implementation delays of 18 months due to inappropriate implementation modalities, Programme Management costs were substantially higher than estimated and disbursements were disproportionately for overhead costs at the expense of programme activities. *Therefore, the rating for efficiency is 3, one point below PMD.*

Rural poverty impact

40. The Programme was expected to "assist (up to) 24,000 small-scale agricultural households (80 per cent of the core target group) to achieve at least one of the following: (i) increase in household assets ownership; (ii) increase in household savings; (iii) reduction in incidence of child malnutrition; and (iv) reduction in food insecurity. Based on the data presented in the PCR, it cannot be determined whether the goal has been achieved as defined, i.e. if 24,000 households achieved at least one of the individual indicators.
41. **Household income and assets.** The BIA reported that the average income of beneficiaries (ZMW 18,192) was 15.4 per cent higher than non-beneficiary group (ZMW 15,763). Nevertheless, the net income increase that could be directly attributed to SAPP participation was estimated to be ZMW 1,215 or US\$128. This was substantially lower than the US\$567 estimated at appraisal. At the end of 2016, 62 per cent of surveyed households reported a (non-specified) increase in their assets.⁴ The BIA reports that 25.2 per cent of beneficiaries had increased their savings at the end of 2016 versus 22.5 per cent in 2015 (baseline).⁵ In relation to assets, while SAPP beneficiaries did not present significant differences in household assets compared to non-beneficiaries, they were better off in terms of agricultural assets ownership for the majority of the tools presented in the survey. Additionally, the BIA demonstrated that a 9 per cent increase in livestock ownership could be directly attributed to SAPP.
42. **Agricultural productivity and food security.** SAPP made efforts to promote improved production practices through training. According to the BIA, beneficiary households produced on average more rice (54 per cent), beans (117 per cent),

⁴ The final impact survey asked to a sample of beneficiaries whether the value of their assets had increased in the previous one-three years (depending on when they joined the Programme).

⁵ Beneficiary households were asked if they belonged to any savings and credit group. If they did, they were asked whether their total amount of savings had increased in the previous three years (for beneficiaries of phase 1) or in the previous one-two years (for beneficiaries of phase 2). Among the respondents of the final survey (impact assessment survey) about 30 per cent belonged to savings group. Of these, 84.4 per cent reported increase in their savings. Hence the BIA, concluded that 25.2 per cent of beneficiary households increased their savings.

and groundnuts (71 per cent) than non-beneficiary households. Data on livestock, aquaculture and mushroom is not available or less clear. As discussed above, the proportion of food secure households was found to be about 4 percentage points higher for beneficiaries compared to non-beneficiaries. The results regarding the reduction of food insecurity are not entirely clear as the BIA (and the PCR) report that an analysis of the food security status over the period June 2015-May 2016 indicated the proportion of households that were food secure was higher (71.6 per cent) in the beneficiary category compared to the non-programme group (67.3 per cent) and that "compared to the baseline and 2015 Annual Programme Review data, this result represented a 4.2 per cent reduction in household food insecurity incidence." However, this does not correspond to the data reported in the log frame of the PCR and BIA.⁶ In terms of the number of whole meals per day and nutrition status, no significant difference was found between participating and non-participating households. Additionally, beneficiary households' Household Dietary Diversity Score (HDDS) showed a slight reduction compared with the results of the previous year's study (Annual Programme Review 2015).⁷ The limited results in nutrition may be because it was not included in the original design of SAPP but only retrofitted later.

43. **Human and social capital, empowerment.** At the impact level, the log frame did not include any indicator nor did the BIA present any result in relation to human and social capital empowerment. As mentioned under Effectiveness, the BIA estimated that 75 per cent of farmer groups and associations managing processing and marketing facilities were sustainable to some extent,⁸ against a target of 80 per cent. Nevertheless, it was estimated that only 41.4 per cent of participants could count on improved access to markets by programme completion. Regarding empowering beneficiaries to participate in markets, the BIA results may indicate that SAPP achieved very limited results. In fact, there was practically no difference in the awareness of new agribusiness opportunities between surveyed beneficiary and non-beneficiary households. At the same time, beneficiary households were slightly less aware about the possibility and willingness to undertake actions for increasing turnover than non-beneficiary households. However, beneficiaries showed slightly more awareness and achievement of market linkages than non-beneficiaries, according to the BIA. Less effective capacity-building activities in the first years may have contributed to these limited results.
44. **Institutions and policies.** This aspect was covered by Subcomponent 2.1 of SAPP ("MAL capacity to support agribusiness development") and the activities financed by Sweden and Finland. The main activities of this component referred to formal training for MAL staff (especially ABM) in the areas of policy research and development, regulatory framework, business entrepreneurship, preparation of business plan proposals, planning and monitoring, and financial management and procurement procedures. The number of trained people is unclear and inconsistent across project documents. Nevertheless, the training provided by SAPP was reported as effective and useful to monitor SAPP activities. Beyond formal training, engagement of MAL staff (especially ABM) in value chain analysis, IP development and MGF appraisal was a key element to build agribusiness development capacity in local institutions. However, the utilization of TST and various service providers for the above-mentioned activities hindered this element until post-MTR adjustments (termination of the TST and decentralization of MGF screening and appraisal). SAPP also contributed to developing: (i) quality standards for

⁶ "Compared to the baseline and 2015 Annual Programme Review data, this result represented a 4.2 per cent reduction in household food insecurity incidence. The baseline and 2015 Annual Programme Review data were 32.6 per cent for the equivalent period" (BIA, page 23).

⁷ The BIA justifies the reduction mentioning droughts and the difference in the timing of the data collection between the two surveys.

⁸ Of about 50 groups surveyed, 75 per cent was rated at least 4 in terms of sustainability on a scale from 1 to 6.

groundnuts; (ii) a pricing and grading system for small-livestock; and (iii) quality standards for brood stock fingerling and fish meal. Under the activities financed by the Swedish/Finnish grant, SAPP made important contributions to strengthening MAL's monitoring and evaluation (M&E) system as well as its early warning system for food security.

45. SAPP had a positive impact on beneficiaries' incomes although much smaller than envisaged at design. It contributed to increasing participants' agricultural assets, but not household assets, as it brought about improved productivity for some of the commodities (especially rice, beans, and groundnuts). It likely contributed to slightly improving food security among participants, though the evidence does not indicate improved nutrition among beneficiaries. SAPP promoted and strengthened farmer groups and associations managing processing and marketing facilities, but the proportion of producers that increased their market linkages was below expectation. Further, SAPP beneficiaries did not show more awareness of new agribusiness opportunities than non-beneficiaries, and showed only slightly more awareness of market linkages. While SAPP made important contributions to strengthening MAL, its impact at the regulatory and policy level has been limited. *In light of these mixed results, the rating for rural poverty impact is 4, in line with PMD.*

Sustainability of benefits

46. Until post-MTR adjustments, SAPP suffered from limitations that negatively affected its capacity to generate durable benefits. These were: (i) weak capacity-building to improve the business skills of the farmer groups that had to participate in value chains; (ii) scarce involvement of MAL and local administrations in value chain analysis, IP preparation and in supporting the groups receiving MGF financing.
47. The Programme's value chain approach based on the 4Ps approach showed good potential to generate sustainable benefits after MTR. Promoting the 4Ps was the conceptual foundation of SAPP's value chain approach and a key factor of sustainability. Critical changes that occurred after MTR that contributed to sustaining the benefits of the 4P approach were: (i) using value chain actors with practical business experience to mentor farmer groups instead of service providers with a theoretical and classroom-based approach which farmer groups' ability to engage in business relations with value chain actions; (ii) letting PMU/ABM carry out value chain analysis and IP development while, at the same time, decentralizing the management of MGFs to provincial and district administrations which created ownership within public institutions at the national and local levels.
48. After the MTR, more attention was given to forming partnerships between value chain actors and groups of producers, especially through workshops in the IP development phase. For example, two groups comprising about 500 rice growers in the Northern Province were linked to a processor that supplied seeds and fertilizers on credit and then bought the produce at negotiated prices. The smallholder farmers involved in this arrangement greatly increased the volume and value of their production. Hence the value chain approach of SAPP appears to be economically viable and sustainable if implemented in concert with value chain operators.
49. However, the initial supply-driven approach based on the use of service providers to design and implement IPs, as well as the type of service providers selected, limited the creation of partnerships. This constituted a serious limitation to SAPP effectiveness and was reflected by the fact that only 41 per cent of beneficiaries had improved access to markets⁹ and only 17 per cent of assisted farmer groups had business relations with value chain actors.¹⁰ In addition, a considerable

⁹ BIA.

¹⁰ RIMS 2017.

portion of supported groups was still fragile at programme completion. A portion of the farmer groups formed or strengthened by SAPP were still too new to determine if they would survive and properly manage infrastructure financed through SAPP grants. That said, according to the BIA, 75 per cent of about 50 groups managing processing and marketing facilities were assessed positively in terms of likelihood of sustainability. Finally, though exit strategy was developed which entailed institutional arrangements to continue with the programme interventions, it lacked the necessary resources in some areas.

50. In sum, while the 4P approach contributed to the sustainability of benefits, limitations in the way SAPP was initially implemented (i.e. through service providers), prevented SAPP from creating, as the desired number of market relationships and the farmer groups were still fragile at the time of completion. That said, the government's commitment and that of local private sector to continue SAPP's objective through the IFAD-funded project Enhanced-SAPP (E-SAPP) increases the likelihood that the enterprises undertaken under SAPP will be consolidated and generate durable benefits. *Based on these considerations, the rating for sustainability is 4 in accordance with PMD.*

B. Other performance criteria

Innovation

51. SAPP developed and introduced improved breeds of goats with a dual purpose of milk and meat production and in order to enable the uptake of this innovation, supported a breeding centre (with five satellite centres) through the MGF. The breeding centre approach was also used for pig and organic chicken breeding. This may be considered an innovation as: (i) the improved breed was not present in the project area; (ii) it could produce milk and be sold at higher price; and (iii) commercial production successfully started after 82 producers received a stock.
52. An institutional innovation introduced was the decentralization approach to the management of MGF which: (i) was new to the context; (ii) generated enthusiasm and ownership in local administrations while contributing to improving their agribusiness development capabilities; (iii) will be used to implement E-SAPP and expanded to Smallholder Productivity Promotion Programme (S3P), another IFAD-funded project in Zambia. Other SAPP innovations were the introduction of improved varieties of beans and rice and the design of a cattle tracking system to mitigate against cattle stealing and control the spread of diseases. Notably, the cattle tracking system was not implemented and did not yield any results. Although limited evidence is presented to confirm that these interventions were truly innovative, they were new to their context and continued after piloting. *Based on this the rating for innovation is 5, in line with PMD.*

Scaling up

53. The positive experience of SAPP in relation to the decentralization of MGF management was adopted by the S3P, another IFAD-funded project in Zambia. Regarding the introduction of improved goat breeds, GRZ has shown interest in replicating SAPP's small livestock bulking centres and business models in order to export goats to Saudi Arabia. Within SAPP, the introduction of improved goat breeds was scaled up through a system of satellite breeding centres, the same approach used for pig and organic chicken multiplication. SAPP systematically documented outputs and outcomes, facilitated joint review meetings between MAL staff and implementing partners, and disseminated success stories through electronic and print media. SAPP also collaborated with the National Agriculture Information Service (NAIS), though the nature of the collaboration is not clearly documented nor is it evident how this contributed to scaling up. Apart from the NAIS partnership, there is no evidence of other partnership building activities nor policy dialogue to facilitate scaling up. As many of these efforts were done with IFAD funding or within the project they would not be considered scaling up which

should be done by government, other donors or the private sector. *Therefore, the rating for scaling up is 4, one point below PMD.*

Gender equality and women's empowerment

54. **Outreach and decision-making.** SAPP was designed to reach women by considering their role in value chains when selecting commodities. In fact, most of the selected value chains were dominated by women. In addition, 30 per cent of MGF was earmarked for women groups and women value chain actors. As a result, 54 per cent of beneficiaries were female-headed households. In general, the proportion of female beneficiaries was always just below or above 50 per cent for all output indicators referring to training and access to matching grants. Therefore, SAPP's target of female-headed households participation set at a minimum of 30 per cent was largely exceeded. However, at Programme design, based on the experience of previous projects in Zambia, it was anticipated that the proportion of female beneficiaries was likely to exceed 50 per cent. In this light, the 30 per cent target was set too low.¹¹ Deliberate empowering measures were put in place to promote women's participation in decision making. Although reporting varies, the participation of women in leadership roles within the supported groups was generally high ranging from 40 to 75 per cent depending on the source.¹²
55. **Women's income, expenditure, assets, and savings.** The results of the BIA show that beneficiary female-headed households had lower incomes than non-beneficiary households (ZMW 10,104 versus ZMW 12,475) at completion, both of which are much lower than the average household income. Further, the income gap between male- and female-headed households was much wider within the beneficiary than the non-beneficiary group. Even though it cannot be concluded that SAPP worsened women's income,¹³ there is no evidence that SAPP contributed to improve it nor to reduce the income gap between male- and female-headed households. Nonetheless, female-headed households had a slightly higher level of consumption than their non-beneficiary counterparts (ZMW 6,934 versus ZMW 6,232). Regarding savings, 27.4 per cent of beneficiary female-headed households declared increases in the previous two-three years.¹⁴ In this case the improvement was slightly better within female-headed than male-headed households (24.6%). In relation to assets, 49.2 per cent of female-headed households participating in the programme declared that their total value had increased in the previous two-three years.¹⁵ However, male-headed households (65.3 per cent) represent a higher proportion of those that increased their assets. Beneficiary female-headed households owned more bicycles, radios, televisions, and solar panels, but fewer mobile phones, electric cookers/fridges, and motorbike than their non-beneficiary counterparts. Hence, although female-headed households participating in SAPP improved their assets, there is no evidence that this improvement was due to the Programme.
56. **Women's food security and nutrition.** The proportion of food insecure female-headed households who participated in the Programme (39.5 per cent) was lower than their counterparts in the non-beneficiary group (44.3 per cent). In relation to nutrition, the HDDS was 0.2 points higher for female-headed households within the participant group than the non-participant group. Also, the HDDS gap between female and male-headed households was smaller among participants (-0.1) than non-participants (-0.3). While seemingly positive, baseline evidence would be required to confirm whether SAPP contributed to improved nutrition for beneficiary female-headed households.

¹¹ Indeed the MTR reported a target of 50 per cent for women participation.

¹² E.g. the PCR reports that on average at least 40 per cent of groups' executive members were women, while the BIA reports that on average, 75 per cent of the groups' membership and executive members were female.

¹³ For that the BIA should have included baseline gender-disaggregated data.

¹⁴ Again the figure is not provided for non-beneficiary households.

¹⁵ This figure is not provided for non-beneficiary households.

57. **Monitoring of gender-disaggregated indicators.** Though not required at the impact level by SAPP's log frame, the BIA provide gender-disaggregated data in relation to income, savings, asset ownership, food security, and nutrition. At the objective level, three of the seven indicators were required to report gender-disaggregated data but did not. At the outcome level, one out of six indicators had to report data-disaggregated results, which was duly done. At the output level, only four out of nine required indicators provided gender-disaggregated data. None of the output indicators regarding training of MAL staff were disaggregated by gender.
58. SAPP designed and deployed a successful strategy to reach women based on selecting value chains traditionally dominated by women. In this way the Programme overachieved its women's participation target (54 per cent versus target of 30 per cent female-headed households as beneficiaries) and provided equal opportunities in terms of training and access to financing to women and men. SAPP encouraged women's participation in decision-making committees, apparently improved food security and nutrition and slightly increased consumption among beneficiary female-headed households. However, there was no evidence that the income of beneficiary female-headed households increased; that improvements in asset ownership and savings of female-headed households are attributable to SAPP; or improvements in women's workload. In addition, the proportion of beneficiaries with increased assets was substantially higher among male-headed than female-headed households and gender-disaggregated results were monitored only partially. *Due to the limited evidence, the rating for Gender Equality and Women's Empowerment is 4, two points below PMD.*

Environment and natural resources management

59. At design, SAPP was classified as a category B project as it was foreseen to have limited negative impact on the environment and the PCR reports that no negative impacts were registered during SAPP implementation. SAPP adopted the Environmental and Social Safeguards Framework based on the Agricultural Productivity Programme for Southern Africa, a World Bank-funded programme implemented under Ministry of Agriculture. According to the programme design, environmental sustainability considerations would be integrated into the commodity selection process, and by implementing agronomic interventions within a conservation agriculture framework. In this light, training on production practices carried out by SAPP promoted the limited use of (internationally approved) chemicals and included guidance on their handling. In addition, small-scale abattoirs were trained on standard environmental management. However, in general, the Programme lacked a proactive approach and had limited specific measures to promote sustainable management of natural resources, foster the capacity of community groups and institutions to manage environmental risks, and reduce the environmental vulnerability of beneficiaries. *For this reason, the rating for ENRM is 4, in accordance with PMD.*

Adaptation to climate change

60. SAPP's focus on climate change was limited. A brief climate change analysis was performed under the environmental and social review note carried out at design. The Note identified crop diversification (particularly away from maize) as the main contribution of SAPP in terms of adaptation, as that would reduce the vulnerability of beneficiaries to risks of crop failure due to climate shocks. The design envisaged that specific interventions of climate change adaptation would be subordinate to the identification of particular needs in the commodity selection and value chain analysis phase. Specific measures related to climate change adaptation are not documented, but positive factors such as crop diversification and conservation agriculture were promoted which reduced the vulnerability of beneficiaries to risks of crop failure due to climate shocks. *In light of this, the rating for adaptation to climate change is 4, the same as PMD.*

C. Overall project achievement

61. SAPP appears to have moderately achieved its development objective to increase the volume and value of agribusiness based on the output of small scale producers. The overall outreach of the programme was strong with 42,542 direct beneficiary households and over 50 per cent of beneficiaries being women, both above their targets of 30,000 and 30 per cent respectively. However, the long start-up delay and issues with the PMU resulted in the majority of the outputs being delivered after the MTR in the last two years of the project. These fragile results achieved close to completion were measured only between 2015 and 2016, making them difficult to attribute solely to the programme. In terms of outcomes, the program achieved mixed results with outputs related to small-scale producers better able to respond to market demand being all well below target. More positively outputs related to enhanced capacity of value chain operators to engage in sustainable agribusiness activities were all well above target. However, improved commercial relations and coordination among value chain stakeholders was not achieved due to their limited involvement in preparing investment plans (necessary for building partnerships) and service providers in the initial period who had theoretical rather than practical value chain experience. The results regarding increased value added capacity to make more agricultural producers available to the market were mixed and outputs to enhance policies and practices that promote agribusiness as a poverty reduction strategy were largely not achieved. This was due to insufficient training for producers in basic business skills required for marketing. Consequently, SAPP did not meet the targets of five out of seven indicators: volume of sales, improved performance of service providers, improved market access and sustainability of marketing groups formed. However, given the programmatic approach in Zambia it is likely that the follow on programme E-SAPP will consolidate the fragile results achieved under SAPP to generate durable benefits. *Therefore, overall project achievement is rated as moderately satisfactory (4), in line with PMD.*

D. Performance of partners

62. **IFAD.** The original institutional arrangements of the project design did not clearly distinguish the responsibilities between the TST and the PMU resulting in effectively two management units. The overlapping responsibilities, poor coordination, weak linkages and inadequate capacities negatively affected project management and implementation leading to delayed project start-up. The final design of SAPP also neglected to incorporate three key QA recommendations: i) the selection of two commodities before starting the project to ensure rapid implementation; and ii) setting and monitoring specific targets to reach the poorest households; and iii) focusing on access to credit during value chain analysis. In fact, implementation was delayed, and poverty outreach was unclear and access to credit remained a key weakness of SAPP.
63. The first supervision mission was more than one year after SAPP's start which likely contributed to SAPP's delayed start-up. Afterwards, at least two supervision missions were regularly fielded each year. The missions were found to be satisfactory in terms of composition, participation, and extensiveness of field visits. Conducted in November 2014, the MTR was crucial to addressing issues that were affecting the performance. The IFAD Country Office provided close follow-up to implementation issues and facilitated interactions within the IFAD portfolio in Zambia through regular meetings and joint supervision missions. Supervision missions supported SAPP financial management by introducing tools and techniques (e.g. accounting package, financial management, procurement, and grant administration manuals, M&E tools).

64. While IFAD provided effective guidance, support, and supervision to SAPP to address the challenges that were initially limiting the performance of SAPP, the agreed QA recommendations which could have facilitated implementation were not addressed. There was also a high turnover of CPMs in the crucial first years of project implementation and given the initial weak performance, the MTR could have been fielded earlier. *Therefore, the rating for IFAD performance is 4, one point lower than PMD.*
65. **Government.** The performance of the PMU was weak prior to the MTR due to the original institutional arrangements that resulted in overlapping responsibilities between the PMU and TST, but improved in 2015. After the MTR, the institutional arrangements were clarified with TST reporting to the PMU and the duplication in their responsibilities was eliminated, including the transfer of procurement responsibilities. Delays in recruiting PMU staff occurred both prior to and after the changes in the MTR which resulted in inadequate capacities, especially in the districts and provinces. The Project Steering Committee also often failed to make decisions due to a lack of quorum; an issue that was mitigated by the creation of a Subcommittee which seemed to facilitate implementation particularly regarding the MGF-supported subprojects.
66. The considerably delayed undertaking of the baseline study at the end of 2014 caused difficulties in assessing SAPP's results. At MTR, an M&E system was in place. However, it did not measure the contribution of SAPP at the objective and impact levels. After the MTR, the partial decentralization of the MGF administration posed further challenges in terms of the M&E capacity resulting in delayed RIMS data collection. M&E gradually improved by completion with the eventual inclusion of an M&E Officer in the PMU.
67. Initially, frequent turnover of key staff at the PMU level, particularly the Financial Controller, and the lack of a suitable accounting package affected the timeliness and quality of financial reporting. Procurement was found to be conducted according to IFAD and the government's guidelines but were initially slow due to institutional arrangements and inadequate capacity of the Procurement and Supplies Unit in terms of staff (despite training). After MTR, the procurement process improved due to the recruitment of a procurement assistant in the PMU and closer collaboration with the IFAD country office. External audits were timely and in compliance with the requirements only after the first three years of implementation which exposed SAPP to potential fiduciary management irregularities. Given the above limitations, *the rating for Government performance as a partner is 3, two points below PMD.*

IV. Assessment of PCR quality

68. **Scope.** The PCR follows the outline presented in the 2015 PCR Guidelines; however the actual coverage of certain aspects is limited. There is limited information presented on Gender equality and Women's empowerment and the presentation of the data in the report is confusing with a mixture of indirect/direct female beneficiaries and female-headed households. In particular, the analysis of impact is not clearly articulated around the four areas demanded by the guidelines.¹⁶ *Due to these limitations the scope of the PCR is rated as moderately unsatisfactory (3).*
69. **Quality of process and data.** The data presented in the report is not always consistent with the data presented in the log frame and there are discrepancies with RIMS and other project documents. The main limitation is that it is not always clear from the PCR how the reported results relate to the objectives of the log frame. The data referring to outcome and impact level results are measured over a

¹⁶ Households' incomes and assets, Food security, Human and social capital and empowerment, Agricultural productivity, and Institutions and policies.

two year period (as the baseline survey was conducted in 2015), which makes results fragile. The extrapolation of results based on quantitative analysis is not always clear (e.g., rural impact) or consistent (e.g., ERR). *PCR quality is rated as moderately unsatisfactory (3).*

70. **Lessons.** The lessons presented by the PCR are based on evidence and draw from issues from design and implementation. The lessons focus on sustainability and improving future projects. The recommendations are concrete and actionable in light of E-SAPP (SAPP's follow-up Programme). *PCR lessons are rated as moderately satisfactory (4).*
71. **Candour.** The PCR duly criticises implementation, especially for the phase before the MTR, highlighting mistakes and drawing relevant lessons. Nevertheless, the way in which the PCR reports and assesses the results of the Programme is not fully transparent and objective: i) outputs presented in the PCR do not always refer to the indicators of the log frame and without reference to targets making it difficult to determine whether objectives were achieved; ii) outcomes are predominantly described in specific success stories addressing only some indicators; iii) at the impact level, the report presents positive results and the very positive conclusions are not always supported by evidence. In sum the PCR was fairly objective in analysing Programme implementation, but not sufficiently impartial in presenting SAPP's results. *Therefore, Candour is rated moderately unsatisfactory (3).*
72. **Overall quality,** based on the above is considered *moderately unsatisfactory (3).*

V. Lessons learned

73. The PCR proposes some good lessons and recommendations for future action such as: i) during project design, implementation arrangements should be carefully considered and the institutional arrangements for project implementation should, as much as possible, be rationalized within the relevant implementing agency's existing structures; ii) the 4Ps approach requires interaction among value chain actors to build partnerships prior to preparing IPs which should be prepared and implemented with service providers with practical experience in the concerned value chain; and iii) capacity building in basic business skills is a fundamental prerequisite to effectively and sustainably manage farming, processing and other agribusiness activities and should be held in locations convenient to the communities.
74. In addition, the following two lessons are proposed by the PCR. As recommended by the QA Review, the selection of at least two value chains should be done during design based on the successful experience of past IFAD-funded projects. This would have facilitated a more rapid implementation of the project and reduced the start-up delay. The targeting strategy aimed to reach commercially-oriented small-scale farming households with the potential to be linked to markets. While the selection of commodities for which women and poorer farmers had a comparative advantage was excellent, given IFAD's mandate and targeting policy, more effort was required to reach poor and vulnerable households. At a minimum, specific targets for these groups should be included and the mechanism by which they will benefit from the value chain approach needed to be articulated.

Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
Rural poverty impact	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.	X	Yes
	<i>Four impact domains</i>		
	<ul style="list-style-type: none"> Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time. 		No
	<ul style="list-style-type: none"> Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process. 		No
	<ul style="list-style-type: none"> Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition. 		No
	<ul style="list-style-type: none"> Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor. 		No
Project performance	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	X	Yes
Other performance criteria			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
Overall project achievement	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
Performance of partners			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

Rating comparison^a

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>IOE Project Completion Report Validation (PCRVR) rating</i>	<i>Net rating disconnect (PCRVR-PMD)</i>
Rural poverty impact	4	4	0
Project performance			
Relevance	5	4	-1
Effectiveness	4	4	0
Efficiency	4	3	-1
Sustainability of benefits	4	4	0
Project performance^b	4.25	3.75	0
Other performance criteria			
Gender equality and women's empowerment	6	4	-2
Innovation	5	5	0
Scaling up	5	4	-1
Environment and natural resources management	4	4	0
Adaptation to climate change	4	4	0
Overall project achievement^c	4	4	0

Performance of partners^d			
IFAD	5	4	-1
Government	5	3	-2
Average net disconnect			- 8/12= - 0.66

^a Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

^b Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

^c This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation, scaling up, environment and natural resources management, and adaptation to climate change.

^d The rating for partners' performance is not a component of the overall project achievement rating.

Ratings of the project completion report quality

	<i>PMD rating</i>	<i>IOE PCRVR rating</i>	<i>Net disconnect</i>
Candour	n.a	3	
Lessons	n.a	4	
Quality (methods, data, participatory process)	n.a	3	
Scope	n.a	3	
Overall rating of the project completion report	n.a	3	

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

Abbreviations and Acronyms

ABM	Agribusiness and Marketing Department
BIA	Beneficiary Impact Assessment
ERR	Economic Rate of Return
E-SAPP	Enhanced Smallholder Agribusiness Promotion Programme
GDP	Gross Domestic Product
HDDS	Household Dietary Diversity Score
IFAD	International Fund for Agricultural Development
IP	Intervention Plan
MAL	Ministry of Agriculture and Livestock
MGF	Matching Grant Facility
MTR	Mid-term Review
NAIS	National Agriculture Information Service
NDP	National Development Plan
M&E	Planning, Monitoring and Evaluation
QA	Quality Assurance
SAPP	Smallholder Agribusiness Promotion Programme
SAPPO	SAPP Office
SDR	Special Drawing Rights
S3P	Smallholder Agribusiness Promotion Programme
TST	Technical Support Team

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