



Improved food and nutrition security of vulnerable households in Zimbabwe through market-based input assistance



FAO Agricultural Inputs Provision Programme 2012-14

Project Completion Review

ARIES Component Code: 203430-101

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LIST OF ACRONYMS

ACIF	Agriculture Coordination and Information Forum
AGRITEX	Department of Agricultural, Technical and Extension Services
AusAid	Australian Aid
CADS	Cluster Agricultural Development Services
CPs	Cooperating Partners
DA	District Administrator
DDS	Dietary Diversity Score
DFAT	Department of Foreign Affairs and Trade previously AusAid
DFID	Department for International Development (UK)
DVS	Department of Veterinary Services
EC	European Commission
EU	European Union
FAO	Food and Agriculture Organisation of the United Nations
FGD	Focus Group Discussion
GoZ	Government of Zimbabwe
IP	Implementing partner
KII	Key Informant Interview
LPD	Livestock Production and Development Department
MAMID	Ministry of Agriculture Mechanisation and Irrigation Development
NGO	Non Governmental Organization
PCR	Project Completion Review
M&E	Monitoring and Evaluation
Mt	Metric Tonnes
MSD	Meteorological Services Department
RDC	Rural District Council
SADC	Southern African Development Community
ToT	Training of trainers
VFM	Value for Money

WIIWG	Weather Index Insurance Working Group
ZimVAC	Zimbabwe Vulnerability Assessment Committee

Executive Summary

During the first season (2012/2013) DFID/AUSAID supported a total of 55,512 households with agricultural inputs through market based approaches. The programme largely assisted the same households assisted under the Protracted Relief Programme (PRP II) with some new households selected in areas where completely new districts or wards were targeted. The programme was managed by FAO and implemented through nine NGOs and in partnership with the Government of Zimbabwe through the Ministry of Agriculture Mechanisation and Irrigation Development (MAMID). A total of 20 districts were targeted under the DFID/AUSAID component namely Mudzi, UMP, Zaka, Bikita, Binga, Buhera, Bulilima, Chiredzi, Chivi, Gwanda, Gokwe South, Hwange, Insiza, Kariba, Mangwe, Masvingo, Mberengwa, Mwenezi, Tsholotsho and Zvishavane. The EU component supported 15,689 farmers in 4 districts – Goromonzi, Hurungwe, Lupane and Matobo. Thus the programme reached 24 districts. Programme beneficiaries received either paper or electronic vouchers worth USD160 of which 20 percent (\$32) was contributed by the farmer in the 2012/13 season. Goromonzi and Hurungwe districts were regarded as high potential therefore the farmers received vouchers worth USD200 and the farmers contributed 40% (USD80).

In the second season (2013/14) the DFID/AUSAID component supported 28,157 in 12 districts (Binga, Bulilima, Buhera, Gwanda, Hwange, Insiza, Kariba, Mangwe, Mberengwa, Tsholotsho, UMP and Zvishavane). The reduction in the scale and coverage of the DFID/AUSAID programme was done to match the funds availed by AUSAID to the programme in year 2. EU supported 17,014 in the same districts Farmers received either electronic or paper vouchers valued at USD160 but the farmer contribution was increased from US\$32 to \$80 in the DFID/AUSAID component while the voucher value was \$200 in 2 EC districts and farmer contributions were \$80 in year one and \$100 in year 2. The programme also piloted the use of mobile cash transfer system in the 3 districts being Insiza, Zvishavane and Buhera.

Overall the combined programmes reached 71,202 households in year 1 from a target of 77,800 and 45,172 households for year 2 from a target of 47,800.

The cumulative total reached over the two years under the DFID/AUSAID component is **60,512** (55,512+5,000) without double counting and taking into account those that were dropped owing to the districts that were left out and failure to raise the 50% contribution by the farmers and the new ones selected in the second year. The programme expanded into new wards in the second year thus accounting for the new 5000 households.

The overall programme cost was US\$14, 981,312 and distributed as shown in the figure below:

Table 0-1: DFID/AUSAID Programme Expenditure

Item	Personnel	M&E	Inputs	Training	Head Office Support	Office Costs	Head Office	Total Expenditure
Expenditure	\$1,575,395	\$797,560	\$9,409,415	\$557,945	\$129,572	\$1,035,575	\$1,475,848	\$14,981,312
Contribution	11%	5%	63%	4%	1%	7%	10%	100%

As evidenced, the major expenses were inputs at 63% (crop and livestock vouchers), office running costs as shown in Table 0-1.

Overall 63% of the total spent was on agricultural inputs on the DFID/AUSAID component over the two years, with 4% going to training and 5% spent on monitoring and evaluation. Head office expenses for both FAO, other technical and administration costs for FAO and Implementing Partners amounted to 28% which is considered reasonable against a benchmark of 30%. It is important to note that the percentage of the administration costs could have been lower had the size of the programme remained constant for year one and year 2

At the time of analysing the certified and interim financial reports, there was an unspent balance of \$804,978.00 under the DFID/AUSAID programme.

The programme demonstrated value for money as it was economic to implement and attained reasonable effectiveness through increasing production per hectare (73%) for maize crop and increasing the proportion of

food secure households (94%) in year 2 of implementation. However, efficiency levels were low, the programme used \$0.39 per \$ worth of services to a beneficiary. It was also shown that small livestock options had more economic benefits than the crop voucher and hence more sustainable.

Key Recommendations

- It is recommended that short term projects should be designed and delivered as part of an overall long term strategic development and recovery framework to maximise synergies and use of emerging lessons/experiences while building on previous donor investments.
- Future input support programme are recommended to build on the 50:50 principle with a menu of options e.g. \$40; \$60; \$80 and \$100 for farmer contributions in supporting communities recovering from shocks, to reduce dependency and encourage market based approaches in rebuilding the asset base of these communities.
- Design programs and adapt business models that integrate Agro-dealers into value chain development of smallholder communities.
- Long term livestock development and marketing programmes in future should promote and integrate in their planning the use of the para-vets system and include an incentive programme (such as provision of bicycles and vet kits) for the para-vets as they have become a vital cog in the wheel of livestock veterinary extension system.
- Integration of the farming as a business training into other trainings is recommended as it has potential to shift farmers' attitude towards commercial agriculture and shifting mindset towards commercialisation of smallholder farming and improving food security situation of the smallholder farmers.
- As a climate change mitigation strategy donor programmes are recommended to keep on supporting private sector to improve further micro insurance products on offer on the market and support them to meet development and mobilisation costs. Despite the low uptake of insurance product by the farmers in the second year, there is potential demand for micro-insurance products by smallholder farmers and also it is an important weather mitigation measure since it can be used to cushion against weather extremes, whether drought or excessive rainfall leading to water logging of crops.
- In future programmes, the donors should consider options for shortening the financial reporting period, such as having a final financial report submitted within 3 months if it is a certified report and 6 months for an audited report, in order to quickly redeploy unspent balances if available.
- FAO should revise the EU end of project report and resubmit to the EU
- FAO should adopt a more flexible financial reporting system that is live, and minimize lead time between Harare and Rome in the supply of project financial status reports for easy of decision making by management.
- Management of funds advanced to implementing partners - FAO needs to introduce the acquittal system from the current end of implementation period to quarterly or half-yearly and pay on receipt and acceptance of the expenditure report.
- FAO is recommended to strengthen the data quality of M&E system, the system should ensure accurate and complete data is uploaded. The appointment of a gate keeper for the system is also important to ensure timely access of both monitoring and evaluation data to the stakeholders.

Addendum to the beneficiaries reached by FAO

When the draft report was shared by the donors to FAO, FAO then provided new figures of the number of beneficiaries reached in year 1 contrary to the reports on achievement provided to the review team during the PCR evaluation.

The review team could not verify these figures due to time constraints as they were provided at the last minute (25 Sept 2014). The PCR analysis was based on the figures provided by FAO during the evaluation and verification of the new figures could take at least 5 days since it involves going through all the partner reports and verifying with the partners themselves. The difference between the FAO system and the few partner reports that had been submitted was noted during the evaluation, and for consistency purposes it was then decided to use the available FAO records. Upon noticing the huge gap in data in the M&E system, FAO then recompiled the year 1 data using the partner M&E system which was not available to the review team. The

huge constraint in the M&E system of the FAO was highlighted and the data quality provided to the review team was rated low as shown in the draft PCR report.

The review team noted with concern again on the updated number of beneficiaries reached in year 1 as the FAO did not discount the 74 farmers who did not receive the livestock inputs in Mberengwa and Mwenezi due to misappropriation of funds by the CIT Company. It is of the considered view by the review team in that these figures in question are for year 1 and FAO had ample time to interrogate its M&E system and could have updated these figures way before the year 2 of implementation or even before the PCR launch.

FAO gave the following reasons for the difference in figures provided to the review team:

1. Figures availed to the evaluation team were not final since the latest records had not been uploaded onto the central repository by the respective data custodians
2. The timing of the programme evaluation coincided with an extremely busy time for FAO when most key staff members working on the project were unavailable to meet with the evaluation team. In addition, several key Senior persons were on leave

1 Evaluation Background

The United Kingdom's Department for International Development (DFID) and the Australian Government's Department of Foreign Affairs and Trade (AUSAID) availed GBP10,034,500.68 and the European Union (EU) availed EUR5,960,000.00 for the Agricultural Inputs Provision Programme 2012-14. Programme implementation period was from August 2012 to July 2014 and May 2012 to June 2014 for the DFID/AUSAID and EU respectively. The Project Completion Review was commissioned by DFID, AUSAID and EU with DFID as the lead donor. The EU programme was designed and delivered as a two year programme whereas the DFID/AUSAID programme was designed as a one year programme which was later extended to a second year.

The purpose of the programme was to improve food and nutrition security of vulnerable households in Zimbabwe through Market-Based Input Assistance. The programme sought to contribute to the reduction of poverty and chronic malnutrition, increase agricultural production and productivity and improve commercialization of small-holder agriculture in Zimbabwe. The project was part of a portfolio of activities implemented by FAO, government and NGOs in the sector designed to promote the transition from short-term humanitarian input distribution approach to longer-term developmental approaches of building sustainable food, nutrition and income security, including integration with and stimulating the market system.

1.1 Objectives of the Review

The primary objective of the Project Completion Review is to measure progress against log frame outputs and to generate lessons for DFID, AUSAID and the EU. Specifically the Project Completion Review sought to:

- Measure progress achieved against the main programme objectives since May 2012 (EU programme) and August 2012 (DFID, AUSAID) to the end of the programme including an assessment of the quality of progress.
- Measure the extent to which the programme achieved its outputs and outcome as stated in the logframe.
- Deduce lessons from the programme and make recommendations that will feed into DFID and EU livelihoods programmes and resilience building strategy.
- Assess and score the overall project's progress against the Outputs in the logframes, including a consideration of Assumptions and Risks.
- Assess gender differences in the impacts of the programme, and assess the appropriateness of the programme's modalities for men and women, including assessment of whether the programme has recognised and responded to structural gender inequalities such as differences in access to land and resources.
- Review the performance of the Technical and Fund Manager (FAO), particularly how the calls for proposals were managed, bids assessed, management of grants including procurement of services, monitoring and reporting rigour, and progress to initiate impact evaluations in line with best practice.
- Review the performance of all the implementing partners including private sector project partners contracted by FAO under the Agricultural Inputs Provision programme.
- Review the performance of the funding donors (DFID, EU & AUSAID), particularly on the release of funds and programme oversight.
- Assess whether the project successfully delivered Value for Money using the VfM guidance and indicators including Economy and Efficiency as follows;
 - Economy: The Value for Money of the procurement processes used to source goods and services. Has this resulted in inputs at the appropriate quality and price; how do the unit costs elicited from this process compare to comparable programmes elsewhere?
 - Efficiency: How well have inputs been converted into outputs? Could more outputs have been delivered from the same input by utilising a different approach without reducing quality? Are the outputs realised/progress on the outputs justified by the inputs?
 - Effectiveness: How far have the outputs contributed to the achievement of the outcomes? Could more/better outcomes have been achieved under a differently designed programme?

As guided by the TORs these objectives were to be achieved through:

- A review of available documentation:
 - The approved Project Document
 - Original and Revised log frame
 - Economic Appraisal
 - Narrative and financial reports progress report
 - Annual review report and any other related reports
- Meetings with key stakeholders including the Ministry of Agriculture, Mechanisation and Irrigation Development (MAMID), DFID/AUSAID, EU, programme and senior management staff of selected partners locally and in the field.
- Field visits, beneficiary group discussions and key informant interviews with selected stakeholders.
- FAO was required to do a self-assessment by completing the DFID ARIES Word Project Completion Review template first, followed by a discussion with the review team. The Lead Advisor/Consultant will then finalise the ARIES Word template after comments, suggestions and recommendations from the review team, FAO and the donors.

1.2 Methodology and stakeholders Consulted

A program of field visits and partner/key informant interviews were arranged by the DFID, AUSAID and EU through FAO over the period 28 July to 29 August 2014. Consultations with MAMID were held at two levels, first with the project focal persons before the field work and with top level executives after the field visit. The consultations at national level were with the Agritex department, the Livestock Production and Development Department, and the Department for Economics and Markets.

The consultants used the following approach to gather information:

- ▶ **Key Informant Interviews** - The partners were consulted as key informants in the review process and the interviews were guided by a KII checklist:
 - ▶ **Implementing Partners (IPs) consulted:** World Vision International (WVI), Lead Trust, Adventist Development and Relief Agency (ADRA), Cluster Agricultural Development Services (CADS), GOAL, Community Technology Development Organisation (CTDO)
 - ▶ **Private sector partners consulted:** Zimnat Insurance, International Export Trading Company (IETC), EMALI, National Tested Seed (NTS), Northern Farming, Steward Bank (for Ecocash), Farm and City, Nleya Chickens/Farm de la Belle.
 - ▶ Also **government departments** were consulted as key informants including: District coordination teams, Department of Livestock Production and Development (LPD), AGRITEX (cropping extension service), Department of Veterinary Services (DVS), Rural Development Councils (RDC), District Administrators (DA).
- ▶ **Donors and FAO consultations:** (FAO, EU, AUSAID, DFID) were also consulted as key informants.
- ▶ **Beneficiary group discussions** – 14 beneficiary farmer group discussions were held across all seven districts visited. Group discussions were guided by a group discussion guideline developed by the consultants.

Table 1-1: Number of Beneficiary Group Discussions held per District

District	Bulilima	Matobo	Insiza	Gwanda	Goromonzi	UMP	Buhera
No. Beneficiary Group Discussion	3	2	2	1	1	2	2
No. of Participants	50	25	30	10	23	29	25

- ▶ **Document reviews** – Key project documents were reviewed in the process to include project proposals, logframes, key reports such as Annual review reports, partner and FAO progress reports, and other national evaluation and survey reports
- ▶ **Field observations**
- ▶ **Districts Field visited:** Goromonzi, Buhera, UMP, Matobo, Bulilima, Insiza and Gwanda

► **Beneficiaries consulted in:** Goromonzi, Buhera, UMP, Matobo, Bulilima, Insiza and Gwanda

Seven (7) out of 16 second year project implementation districts were visited. The two projects reached a combined total of 24 districts in the first year. The districts were reduced to 16 in the 2nd year. 2 out of the 7 districts visited were EU project districts (Goromonzi and Matobo) and 5 DFID/AUSAID districts (UMP, Buhera, Gwanda, Insiza and Bulilima). Beneficiaries, NGO Implementing Partners and private sector partners selected to participate in this review were interviewed at project sites and in Harare. The districts that were dropped in the second year could not be included in this exercise due to logistical challenges since there was no presence of Implementing Partners in the districts to facilitate the visits.

The findings and recommendations below are based on the review of project documents, national level reports, information provided by donors, FAO, NGOs and supplemented by information gathered through interviews, beneficiary group discussions and general observations made during the field visits and during key informant meetings.

The value for money and FAO efficiency were assessed with the use of a combination of certified and interim financial reports from FAO hence a possibility of variations when FAO presents the final certified reports to the donors. Our understanding is that the implications of providing interim reports were communicated by FAO to the donors.

The 3 logframes presented below are for DFID/AUSAID for year 1, DFID/AUSAID for year 2 and EU for the 2 years.

2 Achievement of Outputs, Outcomes and Objectives

2.1 DFID/AUSAID Year 1 Logframe

DFID&AUSAID Programme –LogFrame			Duration		July 2012 – June 2013	
Title		Improved Food and Nutrition Security of Vulnerable Households in Zimbabwe through Market-Based Input Assistance				
Financial Support		GBP 7,500,000		Target (June 2013)	Actual (June 2013)	Comments
Impact						
Contribute to Poverty Reduction, Increased Production, Productivity & Improved Commercialisation of Small-Holder Farmers		Indicator	Proportion of Food Secure HHs	89%	76%	Poor performance of the rainfall season in project areas limited the success of cropping interventions. The contribution of the livestock intervention has not been realised yet. There are a number of social benefits which were not quantified: purchase of households assets such as ploughs and wheelbarrows, linkages of agro dealers with suppliers, training and extension whose benefits will extend beyond the project lifespan.
Outcome						
Improved Food & Nutrition Security of Vulnerable Households in Target Areas	Indicator 1	Productivity Disaggregated by Crop/Livestock	2mt/ha (maize)	0.61mt/ha (maize)	Beneficiaries attained yields higher than baseline yield of 0.48t/ha but less than targeted yields. This was mainly due to the poor performance of the season plus the lateness of voucher distribution that reduced the effectiveness of crop input assistance in some areas. Livestock productivity was not assessed because most of the livestock was distributed towards the end of the project. The programme later decided to postpone the holding of livestock fairs to the second half of the project year to allow livestock to recover from the drought and be in good condition for sale, particularly in the dry southern regions.	
	Indicator 2	Household Income Disaggregated by Source	50% Increase (USD 87)	Crop beneficiaries (USD109), Livestock Beneficiaries (98)	The targets were surpassed; without the project the beneficiaries would not have surpassed the target considering the average income for non-beneficiaries was (USD77)	
	Indicator 3	Dietary Diversity Score for Targeted HHs	70%	66%	66% had acceptable diet against a target of 70%, This is a considerable achievement given that the benefits of the livestock component are yet to be realised	
Output 1						

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60,000 Households Capacitated and Timely Provided with Agricultural Inputs	Indicator 1	% Value of Voucher Redemption Disaggregated by Time & Type of Items	98%	92% (Crops - 97.8%), (Livestock - 85%) (97% FAO report)	55 512 hhs reached. Crop results within target, issues of change and also some beneficiaries who failed to raise the copayment account for the difference but not fully for this huge difference. FAO provided an updated file at the end which could not be verified and included in time for the completion of this review. The electronic system experienced problems three quarters of the way delaying the redemption process as a result. The livestock redemption target not reached
	Indicator 2	Number of Trainees Satisfied with Training & Extension Disaggregated by Gender	80%	Not assessed	78% of the beneficiaries received training and extension support. Information gathered from focus group discussion indicated that trainees were satisfied with the training offered. Survey to assess Knowledge Attitude and Practise was to done in second year. Satisfaction could not be measured in first year.
	Indicator 3	Mortality Rate Disaggregated by Animal Species and Age	10% Reduction	Not assessed	The special study to establish mortality rates was meant to be undertaken in the second year.
	Indicator 4	% of HHs Utilising Agricultural Inputs	95%	75%-96% (on various crops purchased)	Utilisation of inputs purchased by the crop vouchers was high across all inputs accessed. At the time of the post planting survey input utilisation ranged from 75% for sugar beans and 96% for maize. Utilisation of sugar beans was expected to increase since the crop is mainly planted towards the end of the season.
Output 2					
Lessons Learnt Effectively Documented and Disseminated	Indicator 1	Number of M&E Reports Produced and Disseminated	15	14	Some of the planned studies were not done in the first year. There were plans to undertake an end of project review, commission special studies on beneficiary purchasing patterns, Knowledge, Attitude and Practices, livestock fairs and livestock productivity. There was room to further strengthen the feedback loop to IPs.
	Indicator 2	% of Stakeholders Satisfied with Response to Reported Incidents/Problems (Donor, GoZ, Private Sector, NGOs, Farmers)	60%	No formal survey undertaken	No formal inquiry was undertaken for this indicator; however feedback from the Mid Term Review and Monthly Project review meetings indicated that initially response to problems was slow due to a glut of activities that needed to be done in the early stages of project implementation. As project implementation progressed response to problems improved.

2.2 DFID/AUSAID Year 2 Logframe

DFID&AUSAID Inputs Programme –LogFrame				Duration	August 2013 – July 2014
Programme Title	Improved Food and Nutrition Security of Vulnerable Households in Zimbabwe through Market-Based Input Assistance Programme				
Financial Support	Aus \$ 4 000 000		Target (July 2014)	Achieved (June 2014)	Comments
Impact					
Contribute to Poverty and Chronic Malnutrition Reduction	Indicator	Proportion of Food Secure HHS	89%	94% of beneficiaries food secure	This was an increase by 18% from the 76% food secure in July 2013. According to ZIMVAC (2014) “the 2014/15 consumption year at peak (January to March) is projected to have 6% of rural households food insecure which is a 76% decrease compared to the previous consumption year. This reflects the effects of the good 2013/14 season nationally and this agrees with the FAO survey results. 90% Female headed HH food secure compared to 94% male headed, reflecting gender influence on food security. The project impact is 4% which is the difference between beneficiaries and non-beneficiaries.
Outcome					
Improved Food & Nutrition Security of Vulnerable Households in Target Areas through market based input assistance programme	Indicator 1	% of women and men farmers with increased crop and livestock productivity and incomes	50%	-Average maize Yield increased by 145%. -Goats net gain 40.4% of HH, Chickens net gain 47.8% of HH	-Maize Yield increased from 0.61 to 1.5mt/ha while CA maize yield increased from 0.77 to 1.91mt/ha between 12/13 and 13/14 season. This refers mainly to high potential areas where the programme supported maize production and had a target of 2mt/ha. -At least 40% of hhs had positive net gains on goats and chickens - by number.
	Indicator 2	Proportion of households reporting improved socio- economic status	60%		No specific measure of socio-economic status was defined, measured and tracked over the project life. This indicator on its own need to be improved so that it becomes more Specific.
	Indicator 3	% increase of business transacted by agro-dealers	10% at least	NO data	There was no documented data from FAO against this indicator though discussions with Agro dealers in the field evidenced an increase in business transacted.
Output 1					

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30,000 Households Timely Provided with Open Agricultural Inputs Vouchers	Indicator 1	Number of households redeeming vouchers disaggregated by gender and key vulnerability indicators, such as orphans, disabled and chronically ill	95% of all vouchers	93% of target achieved (-62 % females)	28 157 household reached. Target could not be reached mainly due to the Insiza fraud case (1396 hhds) and those who failed to raise the 50% contribution. The Insiza farmers only got back their contribution but did not benefit from the programme eventually. No further data was available to breakdown especially by reason of failing to raise contribution. There was no data to disaggregate the achievement by vulnerability status as defined by the indicator.
	Indicator 2	% Value of Voucher Redemption Disaggregated by Time & Type of Items	95%	-95% for livestock -88% for crops Overall 93%	Overall target missed by 2%. The target was achieved for livestock vouchers, but not achieved for crops mainly again due to low redemption in Insiza district as a result the reported fraud case.
Output 2					
30 000 Beneficiaries are capacitated to effectively utilise inputs	Indicator 1	% of poor women and men who gain access to agricultural technologies through training and extension	80%	75% (59% are females)	This is a percentage of farmers who received training in a number of topics such as Livestock housing, animal health, feeding, CA, and FaaB. These figures were verified through the partner reports (training reports). Training quality control was achieved through development of training manuals, pamphlets, guides –FaaB training manual, small livestock production manual. Women also trained as paravets e.g. in Buhera 132 village-based paravets were trained (73 male, 59 female)
	Indicator 3	Number of poor women and men who increased their access to financial services	95% of e-voucher beneficiaries	>100%	More than 100% of target was achieved since both beneficiaries and sellers of livestock had to get an Econet line and were registered on Econet platform in order to transact at livestock fairs. In Buhera alone over 7000 (4000 sellers of livestock) lines were bought and registered against a target of 3000 beneficiaries and it is estimated that 72% were new users of Ecocash and many of them have continued using these lines and transacting on the Ecocash platform.
	Indicator 3	Mortality Rate Disaggregated by Animal Species and Age	10% reduction	No Data	No mortality data was captured for the two years. Through FGD there seems to be a reduction in kid mortality in goats due to improved housing and improved knowledge and practices on animal health management.
	Indicator 4	Area planted per household disaggregated by crop type	within 10% increase	11%	The area planted to maize increased by 11 percent from 0.9 Ha in 2012/2013 to 1 Ha in the 2013/2014 season. The area planted to sorghum increased by 2 percent from 0.41 Ha in 2012/2013 to 0.42 Ha in 2013/2014.
Output 3					

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180 Agro-dealers capacitated and linked to input suppliers and financial institutions	Indicator 1	Increased Knowledge, Attitude and Practice (KAP) as it relates handling of agricultural inputs, stock management and business skills.	10% KAP score increase	13%	The average KAP scores for agro-dealers increased from 72 percent at baseline to 85 percent in all districts at end of project, with the highest change realized in Tsholotsho district. FAO and MAMID's economics and markets department personnel trained all agro-dealers using a standard module for agro-dealer training covering many relevant topics including business relationship management.
	Indicator 2	% Value of Voucher Redemption Disaggregated by Agro dealers	90% of agro-dealers redeem at least 15% of the vouchers available in the ward	91% of agro-dealers on paper vouchers redeemed at least 15%	FAO to finalise the reconciliation and final position will be given in FAO final report.

2.3 EU 2-Year Logframe

EC Logframe	Duration			May 2012 to June 2014
Programme Title	Improved and enhanced livelihoods, food, nutrition, and income security of vulnerable and emerging smallholder farmers in Zimbabwe through provision of agricultural inputs			
Financial Support	€ 5,960,000.00	Target May 2012	Achieved June 2014	Comments
Overall Objective/Impact/Goal				
To sustain and improve the livelihoods of vulnerable and emerging rural farming households in Zimbabwe and thus reduce their dependency on humanitarian assistance	Proportion of Food Secure HHs	89%	97%	Poor performance of the rainfall season in project areas limited the success of cropping interventions. The contribution of the livestock intervention has not been realised yet. There are a number of social benefits which were not quantified: purchase of households assets such as ploughs and wheelbarrows, linkages of agro dealers with suppliers, training and extension whose benefits will extend beyond the project lifespan.
Purpose/Outcome				

Market Based Agricultural Inputs Programme 2012-14: Project Completion Review (203430-101)

Improved food and nutrition security through improved agricultural production, productivity and income generation among vulnerable and emerging rural farming households	≥75% of the households produce enough food to cover the 2013-2014 and 2014-2015 consumption periods	89%	97%	97 % of the supported households are food secure for the 2014/15 consumption year while in 2013/14 76% were food secure. The target was achieved in both years.
Result 1				
20 000 vulnerable and emerging rural farming households have improved access to quality crop (including cash crops) and small livestock inputs for household food production and/or income generation	Farmers with access to crop inputs	12,300	12,124 (98%)	98% achieved. This is a reasonable achievement.
	Farmers with access to livestock of their choice	5500	4,890 (89%)	89% achieved. Failure to raise the required copayment by farmers contributes to this reduction in achievement especially in Hurungwe district.
Result 2				
Beneficiary farmers are trained, receive adequate extension support, have improved farming and marketing knowledge and apply good agricultural practices	Proportion of households with increased KAP score on contract farming	2200	0	The programme did not directly support contract farming as agreed in the project documents
Result 3				
Pilot insurance scheme for emerging smallholder rural farming households tested and evaluated	Number of beneficiaries with an insurance cover for their crop or livestock enterprises	9 200	2 302	Achievement was high in first year where there was 100% cover for some farmers, but it dropped in second year due to lateness in signing of contract and secondly insurance was not a priority in one of the added districts (Kariba).
Result 4				
Project impacts assessed/evaluated, lessons learned and best practices documented and disseminated	≥5 crop and livestock assessments/surveys carried out by end of Year 2	5	5	2 Crop and livestock assessment and reports produced each year in partnership with the government. FAO also did their post livestock distribution and produced a report. In addition and complementary to these FAO produced post harvest assessment reports each year.
	≥5 projects updates provided at the ACWG meetings	5	5	Target achieved.

2.3.1 DFID/AUSAID Output Achievement Analysis

Table 2-1: DFID/AusAid Output Achievement Analysis

DFID/AuSAID	Year 1 Aug 2012 - June 2013				Year 2 July 2013 - June 2014			
Input Type	Planned	Achieved	Total Value planned	Total Value Redeemed	Planned	Achieved	Total Value planned	Total Value Redeemed
Crop	32,022	31,229	\$ 5,123,520.00	\$ 5,007,090.02	7986	7,083	\$ 1,117,760.00	\$ 979,701.00
Livestock	28,541	24,284	\$ 4,566,560.00	\$ 3,885,414.00	22217	21,074	\$ 3,554,720.00	\$ 3,376,739.80
Total for Inputs	60,563	55,512	\$ 9,690,080.00	\$ 8,892,504.02	30,203	28,157	\$ 4,672,480.00	\$ 4,356,440.80
% Achievement	92%				93%			
% Redemption			92%				93%	

The table above shows that the verified DFID/AUSAID beneficiaries reached in the 2012/13 season were 55,512 (92% of the targeted) and not the reported figure of 60,000. The beneficiaries reached by the programme in 2013/14 were 28,157 from a target number of 30,203. The discussion between the review team and FAO on these variances from the targeted numbers attracted the following responses:

1. Failure by targeted farmers to raise the mandatory co-payment when it was raised to 50% (\$80) for year 2.
2. A (Cash in Transit) CIT company misappropriated funds that were meant for payment of livestock purchases at livestock fairs in Mberengwa and Mwenezi districts in year 1. This resulted in some farmers failing to redeem their livestock vouchers
3. The availability of free inputs by government to most beneficiaries in year 2
4. Challenges in the Insiza District arising from the misappropriation of funds by an employee of Steward in year 2.

On computing the number of targeted beneficiaries per district, yet another variance of target beneficiaries for the programme was detected for both year 1 and 2. This variance of 563 and 203 for year 1 and 2 respectively is however insignificant given the nature of the programme and the challenges encountered during targeting, verification and registration in the different districts.

The review team also noted that during the annual review FAO presented the 60,000 households target as achievement, hence the variation in achievements between the annual review achieved figure of 60,000 and the 55,512 that was verified during the programme completion review. Calculations by the review team to subtract the farmer contribution from the financial figures against the beneficiaries reached in the table above indicate an approximate balance of over US\$600,000 (donor contribution only) that was not redeemed by the programme and was carried forward to year 2 of implementation. FAO could not verify exactly how much was carried over to year 2.

The review team noted with concern that FAO did not report the incident of misappropriation of funds by the CIT to the donors for joint decision on the course of action to take neither did they report the balance of funds from year 1 to be carried over to year 2. The 73 out of 74 affected beneficiaries in year 1 from Mberengwa district received their inputs in year 2. The livestock sellers who were also affected in this incident were later paid in the second year. Although they were later compensated the beneficiaries lost in terms of the opportunity cost due to the delay in payment. However, FAO is dealing with this issue internally and there is no anticipated prejudice to the donors.

2.3.2 EU Output Achievement Analysis

EU	Year 1 May 2012 - June 2013				Year 2 July 2013 - June 2014			
	Planned	Achieved	Total Value planned	Total Value Redeemed	Planned	Achieved	Total Value planned	Total Value Redeemed
Crop	12,300	11,907	\$ 1,969,120.00	\$ 1,927,296.75	12300	12124.36	\$ 1,170,000.00	\$ 1,151,496.56
Livestock	5,500	3,782	\$ 1,440,000.00	\$ 634,825.00	4946	4890	\$ 849,200.00	\$ 841,320.00
Total for Inputs	17,800	15,689	\$ 3,409,120.00	\$ 2,562,121.75	17,800	17,014	\$ 2,019,200.00	\$ 1,992,816.56
% Achievement	88%				96%			
% Redemption			75%				94%	

Discussions with FAO with regards to the variances on the EC component attracted a response that the variance was mainly a result of the failure by beneficiaries to raise the farmer contributions in Hurungwe. These contributions unlike the rest were set at 40% (\$80) in year 1 and 50% (\$100) in year 2.

3 Key Program Findings

3.1 Crop Support

3.1.1 Crop Voucher Beneficiaries

Of the total beneficiaries over the two years 31,229 were supported with mainly crops inputs in 2012/13 season, while 7,083 beneficiaries benefitted from crop inputs support in the 2013/14 season. These were either through paper voucher system or electronic systems supported by Emali both in first year and second year and CABS in first year for some districts. A total of 287 agro-dealers were selected to participate in the programme in the first year while 87 agro-dealers were selected and participated in the second year. All the selected agro-dealers signed contracts (MoUs) with FAO and received training on business management, stock management and the redemption processes. An agro-dealer training booklet was developed and distributed to each agro-dealer.

3.1.2 Key Achievements

3.1.2.1 Yield Improvements

There were yield improvements by the beneficiaries from first year to second year with testimonies from beneficiaries interviewed in UMP and Goromonzi confirming this change. It was commonly agreed both by the farmers and the local extension personnel the improvement was mainly due to the timeliness of input support and a good rainfall season. There were good rains generally across the country in 2013/14 season. For conventional maize, yield increased from 0.57mt/ha in 2012/13 season to 1.35mt/ha in 2013/14 season (FAO and IP's post harvest survey report). With CA maize yields increased from 0.77mt/ha to 1.91mt/ha over the same period in the high potential areas such as Goromonzi. These figures are comparable to the national average yields reported in the Second round crop and livestock assessment reports by MAMID, for 2014. Based on the report maize yields for higher potential areas were 1.27mt/ha and 1.28mt/ha for Mashonaland West and Central provinces, respectively, in the 2013/14 season. This corresponded to a yield increase of 64% for Mashonaland west province, and a maize production improvement of between 56% and 94% over the same period.

The same pattern is observed for small grains yields over the last two seasons. Sorghum yield was 0.66mt/ha for beneficiaries for 2013/14 season up from 0.21mt/ha the previous season. From the Second Round Crop and Livestock Assessment report (2014) sorghum yield in Matabeleland south province increased by 187% from 0.15mt/ha to 0.44mt/ha in 2013/14 season and it increased by 87% in Matabeleland north. Some beneficiaries in Bulilima sold some buckets of sorghum to the review team at \$10. In Buhera the same was sold to the review team at \$5.

The programme complemented input support with CA training and in order to maintain high management standards and results by farmers the trainings encouraged farmers not to keep expanding their areas under CA beyond available resources. Generally, conservation agriculture has proved to be effective in improving farmer yields regardless of beneficiary status. The programme was very close to meeting its targeted maize yield under CA of 2mt/ha.

3.1.2.2 Surplus for Sale

Through focus group discussions and observations in the field it was evident that farmers had surpluses for sale and there were maize sales particularly in the high potential Goromonzi and UMP districts, while in drier small grain areas, they also had surplus for sale. The challenge was the availability of the market for small grains. According to FAO's Post Harvest survey (2014) 65% of the households had surplus for sale which they sold in different markets but mostly to local markets. Nationally, over 87% of farmers who sold small grains reported that they sold their cereals to other households in the same area and private traders were the second most used market to whom households sold their cereal produce (ZIMVAC, 2014). Discussions with farmers revealed that some farmers had delivered their maize to the Grain Marketing Board, while some sold to Agro-dealers who were acting as bulking up points for the millers and other big buyers such as Delta and Kurima Gold.

Recommendation: After addressing production issues there remains a market access and linkage challenges that could be addressed by future programmes.

3.1.2.3 Access to Inputs

An analysis of the purchasing pattern by the farmers is such that they would prioritise seed, basal and top dressing fertiliser if they have timely access to inputs. This was the case in the second year as the vouchers were distributed timely such that the effective rains came after most farmers had redeemed their vouchers. A comparative analysis of purchasing patterns between the 2012/2013 and 2013/2014 seasons show that there is a significant increase in the proportion of the voucher value allocated to seed, top dressing and basal fertilizer; from 55 percent in the 2012/13 season to 69 percent allocated to the same inputs during the 2013/14 season. These are normally the top three priority crop inputs for farmers when given support in good time otherwise when it is late in the season they will prioritise other inputs including implements and crop chemicals. Results of the post planting survey conducted for the 2013/2014 season showed that beneficiary farmers (76% Basal fertiliser, 63% Top Dressing fertiliser) had greater access to inputs compared to non beneficiaries (52% Basal, 40% Top dressing). In year one, distribution of paper vouchers was generally late and was not in tune with the cropping calendar for the 2012/13 season. According to the 2013 Annual review crop voucher redemption was 65% by December 2012 with an estimate that 32% of the inputs were redeemed well after the first planting rains that are anticipated by 15th November in high potential areas (Goromonzi and Hurungwe). Therefore there was a marked improvement in access to crop inputs as evidenced by 79% by December 2013 in proportion of households that accessed seed, basal and top dressing fertilisers combined in the second year. As a result there was an improvement in the utilization of inputs accessed when compared with last season. Therefore there was an increase of 11 percent and 8 percent in the area planted to maize for beneficiaries and non-beneficiaries, respectively, according to FAO's post planting survey 2014. The GoZ input programme also contributed to improved access to inputs as it distributed free inputs countrywide targeting over 1million households and this gave the beneficiaries more purchasing power.

3.1.2.4 Resuscitation of Input Value Chains

Supply of agricultural inputs was relatively good in most areas and there was some degree of competition among the agro-dealers at ward level and of suppliers at provincial level, to the benefit of the farmers. However in Gwanda for example, the wards visited were served by a single agro-dealer per ward, hence less competition at that local level. In some districts such as UMP, Goromonzi and Buhera, the district teams played a regulatory and advocacy role in trying to ensure that retail prices remain competitive and were successful in most cases though a few cases of over-charging occurred like in the remote areas of UMP district. The district teams in Bulilima and Gwanda however did not play the price regulatory role but supported the programme in other ways such as community mobilisation and confidence building. 87 agro-dealers were trained in business management, stock management and redemption process in second year down from 287 agro-dealers trained and linked to suppliers in the first year.

This system stimulated and formalized the business relationship between agro-dealers and farmers and between suppliers and agro-dealers. FAO reports that on average, 95 percent of the agro-dealers have established relationships with suppliers and are dealing directly with input suppliers. The review team also confirms continued relationships between suppliers and agro-dealers and between agro-dealers and farmers. There is however need for recognition of the different levels of recovery of the input value chain in different geographic locations which future similar programmes ought to recognise in their design. The Matabeleland region seems like its lagging behind in the rural input supply chain recovery and this may be partly explained by the relatively low farmer investment in crop inputs in these predominantly livestock areas. There was a sense from the district stakeholder consultations that \$160 was more than their average annual investment in crop inputs hence the call by farmers to make the vouchers open to a choice of crops and livestock.

3.1.3 Key Issues

3.1.3.1 Farmer contribution

All the FGD's and stakeholder consultations noted that farmers experienced difficulties in raising the \$80 farmer contribution given the harsh economic conditions in the country. Petty trading, small livestock sales, savings and remittances were the main sources of farmer contribution. There was a general sense from communities and district stakeholders that the 50:50 contribution approach applied with a menu option e.g. \$40, \$60; \$80 and \$100 vouchers would offer households choice and encourage a more inclusive community support programme. This would also allow the better off farmers' access to more inputs and produce more per unit area of land. Each community requires innovator farmers as role models that the rest can aspire to and consequently a menu of options was seen as a positive rather than a negative factor at the community level.

3.2 Livestock support

The livestock input support programme, largely targeted at districts in the drier parts of the country, reached 24,284 and 21,074 livestock farmers supported in 2012/13 and 2013/14 respectively under the DFID/AUSAID funding. The total livestock package was \$160 and required a 50% farmer contribution. The livestock programme transactions were carried out through livestock fairs and supported by either a cash-in-transit facility that enabled livestock suppliers/sellers to redeem cash at the end of the fair or through Ecocash where payment settlement was instant and real time as transactions took place. Almost 100% of the livestock vouchers transacted through livestock fairs and CIT companies were redeemed despite a few challenges to do with timeliness and cost of facilitating fairs. In addition to livestock purchase support, farmers got complimentary livestock husbandry training and were also able to procure essential drugs for their livestock, on average spending 5-10% of their voucher value on veterinary drugs. Demonstration units for improved goat housing were also set up on 22 sites where they have generated a lot of interest from farmers although the extent of their adoption is still to be determined.

The benefits of the programme were evident to the reviewers as stakeholders and communities appreciated the significant amount of cash directly injected into cash strapped local communities and enhanced economic activities especially at local business centres. The review also noted that the programme provided a resource mobilization framework/catalyst to households as they were able to leverage support from their savings, micro-enterprises and social networks on the basis of the 50% subsidy programme contribution to raise their own 50% contribution. There were two distinct trends emerging in the livestock programme results as demonstrated by those that opted for household livestock asset build up e.g. goats, donkeys, indigenous chickens and cattle; and those that went for the commercial production units of broiler and point of lay chickens. These are explained in detail below.

3.2.1 Household asset build up

The livestock asset built up supported by the programme was evident as participating farmers visited by the review team were now proud owners of goats, chickens, donkeys and in few cases cattle. In Buhera ward 27 the review team visited one female headed household who had a combined total of over 200 chickens, turkeys and guinea fowls and over 15 goats as a result of the support from the programme for two years and had adopted improved goat and chicken housing. Before the programme they had less than 10 chickens and 10 goats. All farmer group discussions in livestock areas reported increases in livestock per beneficiary household as result of the program intervention. For example farmers in Matobo ward 10 farmers gave testimonies on how their goat herds that started with 3-4 goats per household had expanded to 9-22 goats per household over the two years of the program. Assuming a value of \$40 per goat the asset build up per household went from \$120-160 to \$360 - \$880 within 24 months of the program. More than seventy percent of the livestock vouchers were spend on purchasing goats. The FAO PHS report 2014 show a net gain of 40% for goats from the programme baseline in 2012.

Livestock farmers also noted that the expansion of their livestock base per household was due to the voucher program and improved management of their animals as a result of training and extension support from the local para-vet service and government extension staff. Goat farmers in particular noted that mortality of their

animals had gone down significantly as result of improved livestock management knowledge, goat housing and access to drugs and para-vets. In Buhera during farmer group discussions farmers cited that the greatest impact of the training and demonstration housing was the reduction in livestock mortality and those women now have improved knowledge on livestock management. In addition there has been widespread adoption of improved housing for small livestock as well as cattle.

3.2.2 Nutrition

There was anecdotal evidence that farmers in Matebeleland and Buhera increased their milk, eggs and meat intake as result of their expanded livestock base and a few of the farmers consulted reported slaughtering goats for home consumption. Nutrition trainings were also conducted for Goromonzi, Hurungwe and Lupane districts and nutrition pamphlets were develop and distributed, however nutrition education using available resources was not evident from both stakeholder and community level consultations in most districts except in Goromonzi where group of farmers visited had displayed different food types and demonstrated knowledge of use and preparation. However the FAO post harvest survey (2014) contends that there was an improvement in dietary diversity with more beneficiaries (68.5%) showing higher score (6+) than non-beneficiaries (58.9%). This is a good proxy indicator for achieving nutrition outcomes. There is a greater chance of further improving nutrition status of communities by providing nutrition education and practical demonstration through lead farmers, community health workers and extension staff using available crops, vegetables and livestock/other protein sources.

3.2.3 Commercial broiler and layer units

The program supported farmers interested in commercial poultry i.e. eggs and broiler bird production in Goromonzi and Hurungwe Districts and their performance was a mixed bag! The implementing partner reported that in Goromonzi about 50% of the farmers had managed to go to the second batches of broilers or increased the number of birds for layers. However in the second year there was a shift in farmers' preference towards egg production from 18% in year 1 to 52% in year 2 purchasing layers in Goromonzi (Source, CADS) against those who bought broilers. The main reason cited was the marketing challenges with broilers. The review team noted that eggs and broilers were management intensive enterprises that required strong market linkages as the birds can eat up all the profit if the eggs and chickens are not sold at the appropriate time. Poultry feed constitute 80-85% of the cost of production and consequently time spending feeding birds is a critical viability factor. The 2012/13 review also noted the Goromonzi experience that when farmers start poultry projects in the same locality, they flood the local market with eggs and broilers, reducing prices and discouraging farmers from continuing the poultry enterprise. The poultry producers that continued their enterprises beyond the initial program investment were strongly linked to the Harare or peri-urban markets or some contract market.

3.2.4 Timing and mobilization

For the livestock voucher programme needs to be appropriately timed. For example in Bulilima ward 3 some farmers paid their farmer contribution to the farmer organizing committee in Sept'2013 but livestock fairs were only done in April 2014. Farmer perception was that the delay was due to FAO and CIT Company. However District Team's and IP's indicated that livestock fairs were delayed in order to avoid the peak labour demand period (December/January/February) and to allow livestock condition to improve before livestock fairs. The review noted that there were however delays caused by FAO and CIT Company's inadequate planning even for the reprogrammed livestock fairs. These delays had the effect of increasing operating costs of IP's and service providers as well as delaying payments to livestock suppliers. In addition it is evident from stakeholders concerns that issues that affected the smooth implementation of the livestock component was to do with the timing whereby coinciding livestock activities with cropping activities will make farmers prioritise investing time and resources into cropping since it is a small window of opportunity in a season where a farmer has to get it right.

3.2.5 Supply of goats

Based on the sites visited there was a general shortage of goats in the most areas to meet the local demand created by the programme for most areas except in Buhera. In Bulilima District for example goat prices went

up to \$50-70 per goat versus the \$30-40 regular price while in Gwanda North the programme mobilized goat suppliers that brought goats from outside the area as there were no goats in Gwanda North. The opposite was true for Buhera where district teams had to restrict goat supplies from within the ward and were able to meet demand and had surpluses to supply even to other districts such as Zvishavane on the same project. Christian Care end of project report confirms that they arranged for the supply of goats from Buhera for their livestock fairs through traders who sourced goats from Buhera.

The sequencing of livestock support and training was critical in getting farmers to adopt improved practices such as castration, dosing and improved housing in the case of goats. The adoption of improved livestock husbandry practices and access to para-vet services were noted from FGD's to have contributed significantly to reducing livestock mortality in the participating communities.

3.2.6 Exchange rate challenge

In Matebeleland the Rand is the dominant currency given the area's proximity to South Africa but the farmer contribution was required in US\$. The US\$/R exchange prejudiced farmers as they exchanged their Rand at either US\$1:R11 or US\$1:12 against the official rate of \$1:R10. The review team heard testimonies that farmers paid R1000 to R1100 for their US\$80 farmer contribution. It was important for programme to have vouchers in South African Rand, and on average farmers in areas where the rand was a dominant currency farmers paid more dollars over and above the \$80, meaning farmers incurred an additional costs due to the exchange rate variances?

3.3 Delivery models- Ecocash, Emali, Paper Vouchers

3.3.1 Ecocash

The programme piloted the use of mobile cash transfer system in the 3 districts of Insiza, Zvishavane and Buhera in partnership with Steward Bank. Of the 3 districts using the Ecocash platform for livestock fairs, Buhera and Zvishavane districts have completed their scheduled fairs with the redemption rate standing at 100 percent. Redemption in Insiza district was very low at 30 percent. Overall 7,501 farmers transacted using the Ecocash platform in the second year. However, there were challenges in Insiza due to alleged fraud by the Bank's employee and the case was investigated and addressed by the project and the value of up to US\$37,418 was reimbursed either to the Agro dealers or farmers by the Bank. The negative effect was the prejudice to farmers who could not access the inputs they were meant to benefit from and it dented farmers' confidence in the system.

There were a few challenges in relation to network, Agents liquidity and use of PIN by some farmers were experienced but the teams worked on resolving them timeously and it did not affect the success of the project. Ecocash agents had insufficient float to cash out after the livestock fairs and Steward Bank had to increase the float allocations for their agents to ensure that they could adequately service the farmers.

The cost efficiency of this option is discussed under value for money section but the successes seem to suggest it is good option for the future. The transactions and payment settlements were real time and for that reason it was commended by all players. The spin-off was an improvement in access to mobile phone and financial services by the beneficiary farmers (at least 7 794 mobile lines) and all livestock sellers- because they had to first purchase an Econet lines and then get registered on the Ecocash platform. Farmers and merchants engaged alluded to the point that they are of continuing with the use of the mobile financial service even after the project has ended in Buhera and it is likely to continue. Zvishavane partner report confirms the same point.

The bank is of the view that the development community would benefit more and achieve their development objectives from technological and financial innovations around mobile money systems if they engage such technology partners (any partner) on a long-term developmental framework rather than the current transactional type relationship.

3.3.2 Electronic vouchers –Emali

Electronic vouchers system was implemented by Emali in year one and two and with CABS but for the first year only. Selection of partners was through a competitive bidding process. Electronic vouchers were well received

by farmers, agro-dealers and suppliers of inputs because of real time transactions that enabled agro-dealers to be paid for inputs supplied to farmers, instantaneously. In the first year there were delays in the registration of farmers for the electronic voucher programme caused by inaccurate data entry by IPs that delayed the issuance of electronic voucher debit cards and their activation. In the second year the activities were implemented on time and problems of the first year did not recur. Agro-dealers were enabled to pay input suppliers and to re-stock with inputs required by farmers.

A few challenges for the second year were related to payment settlement to suppliers after Agro-dealers were paid, either due to delays by the parent company for Emali – Tetrad Bank- or due to failure by the agro-dealers to remit to suppliers after selling products. Tetrad Bank was facing liquidity challenges which inconvenienced a number of agro dealers and suppliers on the e-voucher programme because of delays in settling payment claims. There was no report of outstanding amounts which Emali owed agro dealers by the review time. This was a risk not foreseen by the project but the system itself worked well because it had both an offline and online facility which meant that transactions happened smoothly and all farmers bought inputs of their choice on time.

3.3.3 Paper Vouchers

One of the delivery models was paper vouchers through which 53,643 households accessed inputs through this option in 2012/13 season and 29,946 households in the 2013/14 season combining both EU and DFID/AUSAID programmes. This is the combined crop and livestock paper vouchers. The livestock vouchers were supported by Cash-in-Transit (CIT) from security companies while the crop vouchers were through agro-dealers.

3.3.4 Crop Paper Vouchers

Beneficiary households seem to have more confidence in this system because it's close to the money system they are familiar with. They feel value is secured when they are holding the vouchers in their hand where they can see it always. From the agro-dealers side the transactions are not real time, and there is need to for a lengthy reconciliation process before the payment is effected to them. Therefore agro-dealers and commodity suppliers would prefer the electronic and mobile payment system ahead of paper mainly because of the real time factor.

The other downside of the paper system is that there is a high risk of abuse through collusion between the agro-dealer and the farmer especially when it comes to the issues of the farmers' contribution. It was further observed that the need for centralised reconciliation system whereby all vouchers have to be send to FAO or reconciliation before payments are done could be the bottleneck in the system. Therefore if a financial institution which can act as an Intermediary deposit collection is roped in that may speed up the process. Lengthy delays were experienced in the first year of up to six weeks in certain areas but this improved significantly in the second year. The main effect of delayed payment settlements is on the ability of the agro dealers to restock and meet farmers' demand because of the low capital base and liquidity challenges that most agro-dealers face. More than \$0.5 Million worth of input went through the hands of the agro-dealers during the second year.

3.3.5 Paper vouchers with CIT

This model was for livestock fairs and the payment settlement in that system was usually on the day of the transaction if it is well organised. FAO reported that CIT companies were advanced money but in some cases did not turn up at all livestock fairs, or they turned up with insufficient money to facilitate transactions at the fairs. This happened both in the first year and second year. There were cases reported of some fairs (2 out of 4 fairs for CTDT) where the CIT companies failed to show up to settle claims in the second year and that dented confidence in the system and also increased the costs of organising fairs. There were separate trips that were arranged in order to settle payments especially for sellers of livestock and veterinary products in cases where this happened. This was the third most cost efficient model of the four. Livestock fairs require a lot of resources to mobilize and organize. As recommended by the last annual review there is need to think of different models such as organizing them around a recognized market days and avoiding the need to use the costly CIT service by promoting use of electronic payment systems (Ecocash) as what occurred in other districts.

Overall the issue of availability of mobile network in some places will still limit the suitability of other options in other geographical locations.

3.3.6 Transaction Costs Comparison for Delivery Models

Transaction cost comparison of the different delivery models shows that crop paper voucher through agro-dealers is the cheapest at less than a \$1.00 per household (hh) for the two seasons, followed by Ecocash which delivered at \$7.88/hh. However, the costs of sorting and transporting the vouchers from agro-dealers to FAO for the paper vouchers were not available for inclusion into the model; this could have slightly increased the transaction per hh. The most expensive model was above \$10/hh over the two years and it even went up to \$16.80 in the second up from \$12.65/hh in the first year. The Paper with CIT is the second most expensive at \$8.53 in the second year. Transaction cost consists of the cost of either printing the voucher, or availing the e-vouchers and the backup support to the farmers. Private sector companies were hired to offer these services through a competitive bidding process. Below is a graph showing the cost comparison of the different models over the two years of the programme.

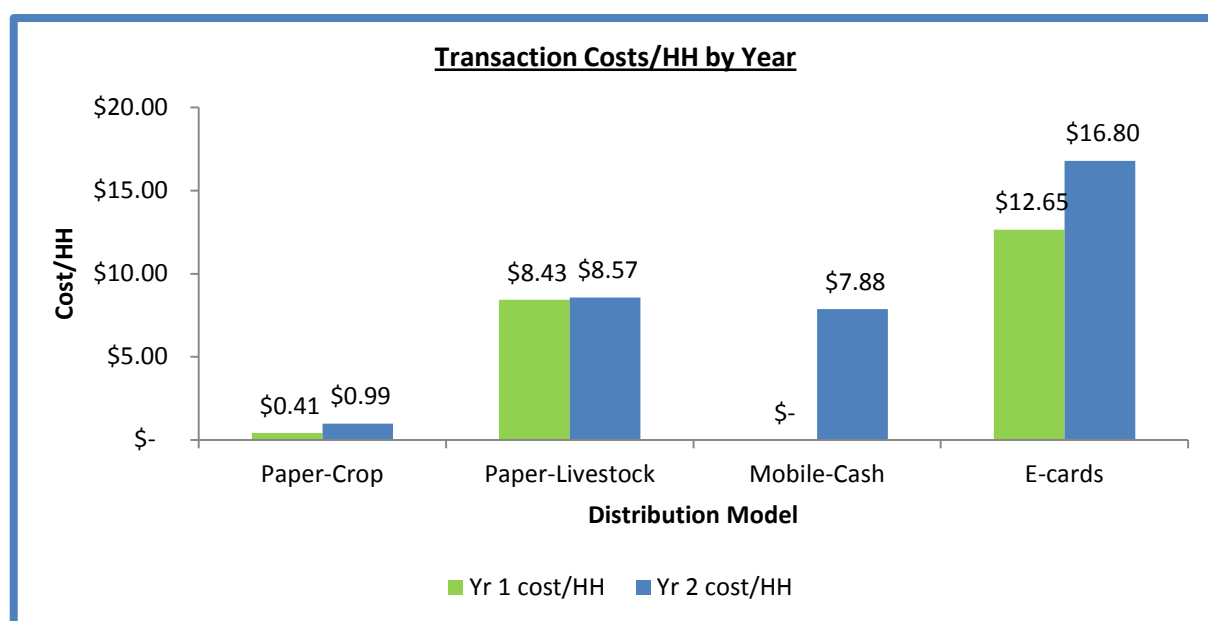


Figure 1: Transaction Costs by Distribution mode per HH

3.4 Extension/training support

The EU/DFID/AUSAID programmes' approach placed emphasis on development of trainers of trainers that in turn trained extension staff and lead farmers/para-vets who in turn cascaded the training to farmer groups. This approach was considered appropriate by review community FGD's and district stakeholders despite the resource limitations faced by government service providers.

In 2012/13, Seventy eight percent of the beneficiaries received extension support and training organised by the IPs and the Government extension system namely the Department of Agricultural Technical and Extension Service, and the Department of Livestock and Veterinary Services. A total of 287 agro-dealers were selected to participate in the programme. All the selected agro-dealers signed contracts (MoU) with FAO and received training on voucher redemption. An agro-dealer training booklet was developed and distributed to each agro-dealer.

In 2013/14 a cumulative total of 21 565 beneficiaries were trained of which 59% were women and 41% males. In addition a total of 523 extension personnel and 87 agro-dealers were trained in business management, stock management and redemption processes.

3.4.1 Livestock husbandry training and Para vet system

The program provided practical livestock husbandry training that was open to all interested farmers and built up capacity in local extension staff and community based Para-vet system that is continuing to provide services to these communities beyond the input program. Agritex, LPD and Vet departments were key players in the livestock husbandry training and support services but faced operational resources challenges and relied to a large extent on the small program budget and were therefore not able to provide adequate services to farmers.

Farmers and district stakeholders noted that well sequenced farmer training was effective and they attributed the drop in livestock mortality to increased knowledge and practice of improved livestock practices. There is an emerging cost-recovery based para-vet system that has potential for long term sustainability if properly nurtured. Currently para-vets provide services on call by farmers and recoup cost of drugs plus a small token of appreciation from the client farmer. In addition the program catalysed/strengthened relationships between local para-vets and farmers; and local agro-dealers for the supply of specific agro-vet needs to these communities. The review team observed that some agro-dealers in Matebeleland were still stocking some veterinary supplies although some of the shop keepers also noted that vet supplies were slowing moving goods.

The training approach that was well coordinated with the District Team contributed to a strong sense of ownership of the program at the district level by both farmers and government service providers. Local ownership was evident as both district stakeholders and communities articulated the knowledge and experience derived from the coordinated approach to delivery of the program.

Table 3-1: Year 2, Farmer Training summary

District(s)	Males	Females	Total
UMP	1 281	937	2 218
Zvishavane	1 812	2 103	3 915
Mberengwa	1 002	1599	2 601
Binga	404	403	807
Bulilima	448	976	1 424
Gwanda	350	650	1 000
Hwange	399	770	1 169
Insiza	324	1 003	1 327
Mangwe	459	1 007	1 466
Tsholotsho	271	762	1 033
Buhera	1 645	1 965	3 610
Kariba	417	578	995
Total	8 812	12 753	21565
	41%	59%	

3.4.2 Agro-dealer training

There was evidence from the FAOKAP study on agro-dealers to the fact that agro-dealers had improved their business practices as a result of the training provided by the program as shown in the table below. Also during field visits agro-dealer demonstrated an improvement in their business practices through records and demonstrated improved product knowledge.

Table 3-2: Knowledge, Attitude and Practice Scores

District	Average KAP scores (%)		
	*Baseline	End of project	% change
UMP	70	82	17%
Gwanda	73	86	18%
Kariba	78	87	12%
Bulilima	76	90	18%
Tsholotsho	68	82	21%
Binga	69	81	17%
Average	72	85	17%

3.5 Contract farming

The EC project had a contract farming component in which FAO was to contribute 50% of the crop inputs to farmers through IETC and Northern Farming who are private companies. However, the plan changed after lessons from another EC project in which they were managing as they realised that the private companies were benefiting more than the farmers. The companies were also contributing the other 50% for crop inputs; however the normal arrangement for contract farming is that farmers sell their produce to the companies for them to recoup their contribution plus a small margin. The pricing model for the farmer produce favoured the private companies. It is upon this background that FAO decided to change the design and then encouraged the private companies to look for their own farmers and then provide agronomic support to the selected farmers. FAO provided technical support to the 2,409 farmers who had contract arrangements with IETC in the 2012/13 season. In year 2 of implementation, FAO engaged three NGO partners to strengthen the capacity of farmer groups through training that covered governance, gender, marketing among other issues. FAO communicated the change to EU, who accepted and supported the initiative. This shows that the programme was responsive to the findings from other projects.

3.6 Weather Indexed Crop Insurance

The EU programme piloted weather –indexed insurance programme with ZIMNAT over the two years of the programme. The first year it was piloted in Gokwe S and UMP, and in the second year it was in Goromonzi, UMP and Kariba while Gokwe S was dropped out of the programme altogether. In the first year programme had very stringent triggers for payment (developed by FAO and other stakeholders). These were apparently more stringent than those applied to commercial products on the market. In the second year these were reviewed and resultantly 82 out of 197 farmers in Goromonzi made a claim and got a 40% payout as a result of low rainfall that fell in the second year whereas in the first year it was an ex-gratia payment to Gokwe S farmers who had their crops affected by excessive rainfall at the beginning and later affected by prolonged dry spell. The system did not trigger a payment which led to ZIMNAT paying an ex-gratia payment out of good will.

The positive result is that ZIMNAT has continued to sell the product to over 500 farmers in Gokwe without an NGO facilitator in the second year. There were low sales in UMP and Kariba districts for two different reasons. In UMP there was alleged competition from the Ecofarmer products by Econet, which was worsened by the

delayed signing of the contract between FAO and ZIMNAT. It was cited that rural Kariba's financial markets were underdeveloped such that it was difficult to sell secondary financial services/products (insurance) ahead of the primary services- since there are no banks in the area offering primary financial services. There was also a low appetite by the insurer to develop a small grains insurance product which the programme was hoping to develop and pilot due to lack of experience and knowledge on the product by the insurer.

It was observed that for the product to be more competitive on the market the company needs a technology partner in order to lower its transaction costs in selling and marketing the product. The current product cost 15% of sum assured whereas the rival product by Econet costs 10%, however comprehensiveness of the two products were not compared.

3.7 Impact on Gender

There was evidence from the review FGD testimonies on how the small livestock program had empowered women and this was further corroborated by the FAO 2013/14 post harvest survey (fig below) that show that high proportions of women owned goats and chickens. For example in livestock beneficiary communities 32,7% and 47% of the women owned goats and chickens respectively against 23% and 41,9% women in crop input beneficiary areas.

Table 3-3: Livestock ownership by sex of household member

Livestock Type	Crop Beneficiary			Livestock Beneficiary			Non Beneficiary		
	males	females	joint	males	females	joint	males	females	joint
cattle	41.1	16.3	22.9	31.6	16.0	20.2	29.3	13.9	17.2
goats	26.7	23.3	22.9	27.5	32.7	28.5	24.7	21.3	18.9
chickens	13.6	41.9	33.4	11.7	46.6	32.5	12.7	38.9	29.5

Small livestock especially goats and chickens ownership empowered women as decision making over their slaughter or sale was vested in women unlike cattle sales which required household head's assent. It was also evident from the FGD's that women's participation in small livestock enterprises was not constrained by women's access to land. The determining factor was women's capacity to raise the farmer contribution that was needed to access the livestock input support. Anecdotal evidence suggests that more women headed households were affected by the increase in contribution than male headed households. This fact is supported by the fact that there is a 4% difference between male and female headed households that are food secure in the 2014/15 consumption year.

FGD's showed that women were participating in project committees at the community level, however it was noted that their proportion was relatively smaller than that of men. This was mainly because committees took up a lot of time and there was competition for time with other household commitments of women. There was however no evidence that this limited women's access to programme input vouchers or training and extension services. In fact training figures show that 62% and 58% of beneficiaries that accessed training in 2012/13 and 2013/14 respectively were women. The review team observed for example in Matobo and Buhera Districts that a number of women para-vets were providing support services to program communities as result of the program support. In Buhera ward 27 there were seven women para-vets trained against 8 men para-vets and they did not appear to be different in terms of level of confidence and knowledge on animal health issues.

4 Performance of Technical and Fund Manager

FAO performed well in providing the much needed interface between government and the donor community through the Ministry of Agriculture Mechanisation and Irrigation Development. The donors could use the key contact persons established for the programme within MAMID to access government officials on policy and other agricultural related support. The contact persons were for crop and livestock production and these positions would facilitate meetings between the two institutions as well as implementation and monitoring of the programme. The market based inputs programme has seen some rural economy come to life again through the agro-dealer value chain resuscitation.

Coordination and information sharing for the agricultural activities, best practice and some research innovation has been another success criterion for FAO. The agricultural working group is one of the major sources for current agricultural information used by researchers, development partners, government and donors. It has also become an important networking forum for players in the agriculture sector.

Sound technical support and advice is also another success for FAO. FAO's experts in crop and livestock, work hand in glove with their technical counterparts from the Ministry to provide technical oversight to the programme. This ensured standardisation of certain trainings across the programme and has led to other innovations on the programme such as training of para-vets supported and integrated in the government's livestock extension system.

The above analysis by the review team was also confirmed by the donors (DFID and AUSAID) during a meeting organised to check on their programme oversight roles.

FAO also successfully adopted the recommendation from the Annual Review of creating district teams that had clear set of ToRs and followed up to ensure that implementation was successful. The review teams witnessed improved team work and coordination among LPD, VET, Agritex, RDC and district administrator's office.

4.1 Bid Management Processes

In April 2012 an open Expression of Interest (EOI) was launched in the main newspapers to identify and pre-qualify entities that would be interested to participate in the programme. FAO then send out the Request for proposal (RFP) for both DFID/AUSAID and EU in 2011/12 to the pre-qualified entities. The RFP was launched on 5 June 2012 to a list of pre-selected service providers. FAO has comprehensive procurement procedures that are followed religiously. There are two procurement systems; one for the non-profit organisation and the other for the private companies. The RFP was structured in such a way that NGOs would submit bids based on the listed lots (provinces) (see Annex for quantitative details). Each lot had specific districts listed and the bidders had the flexibility of proposing to work in more than one lot. The selection was based on a competitive selection process based on 6 key criteria.

FAO had a 4 stage hierarchy in the selection of the NGOs for both DFID/AUSAID and EU projects. The 1st stage involved scoring the proposal by technical staff in the area of crop and livestock production. The M&E, information and the procurement unit provided the secretariat services for the process. The 2nd stage involved quality assurance review by the procurement unit and the 3rd stage involved the procurement review committee (PRC) who ranked the scores for each bidder (NGO) in each lot and assigned the selected NGOs to districts. The 4th and final stage involved reviewing the selection of NGOs and the allocation of such to districts by the Steering Committee.

The analysis by the review team based on the scoring sheets provided for all the NGOs who had submitted their proposals is that this was a competitive process and the reasons stated for accepting and rejecting proposals were objective, reasonable and justified. However, there were some NGOs who had scored highly in some districts such as Kariba who were dropped during contract negotiation and the next NGO on the rank from that district was finally accepted. Contract negotiation was also key as the fund manager tried to reduce the risk of contracting NGOs who were technically sound but failed to meet the minimum required contractual issues such as registration status with government.

The selection of the NGOs and private companies for the project was underpinned by objectivity, consistency and transparency as per the guiding principles. The procurement unit then negotiated with the selected NGOs and private companies with a key objective of bringing the submitted budget to economic levels. Successful

NGOs then signed letters of agreement (LOA) and the private companies signed commercial contracts (some additional information is provided in Annex 2).

4.2 Grant and Financial Management and Letters of Agreement

FAO uses a global grants management manual which allows for financial expenditures to be acquitted at the end of implementation. The LOA currently requires the NGO to acquit at the end of implementation. This therefore poses some risks to donor funds in the event that some funds are misappropriated at the beginning or during implementation as this can only be detected much later.

FAO disbursed funds to NGOs periodically based on achievements of milestones; however it is our opinion that the NGOs should request funds by submitting expenditure reports and a forecast for the period required. This is best practice and in line with international grants management procedures.

FAO could improve on their financial management and communicate any challenges faced with the donors as early as they possibly will have identified the challenges. FAO's final request for funds from DFID was made in April 2014 which was 3 months before the end date of the programme. FAO only communicated with the donors about a possible under spend in June 2014 which is rather late in our analysis given the nature of the programme and the implications that this lack of communication may have on decision making by the donors as to whether or not to reach more beneficiaries or reallocate the funds to areas where they could be absorbed effectively and efficiently. The formal communication in the form of financial reports is officially due in January 2015 as indicated in the MoU.

DFID needs to reduce the due date of the programme financial report from 6 to 3 months as the required report is only certified and not audited. International practice requires a certified report within 3 months and audited report within 6 months after the end of the programme. In this situation, FAO is scheduled to submit the certified reports in January 2015. Therefore until the final financial reports have been submitted, it may be impossible for the donors to know the accurate unspent balance and recall any funds from FAO and reallocate them in any way.

4.3 M&E and Reporting

The M&E and reporting system is not 'live' and robust enough to withstand data and reporting requirements. In most cases the experience by the review team was that data retrieval takes a day or more. Examples are that the EU end of project interim report has 17,800 households as achieved instead of 15,689 for 2012/13 season and 60,000 households were reported as achieved instead of 55,512 in the DFID/AUSAID project for the 2012/13 season.

The M&E and reporting system has scope and scale for improvement particularly on monitoring, data repository, data retrieval and reporting. Currently there is minimum coordination of the monitoring role and as such no clear ownership of data entry and retrieval components. The system needs gate keepers or ownership by an individual or unit who then is responsible to provide interface with the stakeholders who may require the data.

The retrieval of reports and data for the PCR consultants took much longer than expected because the system has some capacity constraints especially in data storage, accuracy, completeness, and accessibility issues among other system quality characteristics.

The evaluation component of the system is comprehensive and relevant to both the inputs project and FAO operations. The evaluation unit participated, coordinated and partly funded key evaluations studies undertaken by government, and other development arms such as ZIMVAC. Therefore the review team concluded that the monitoring and reporting component of the M&E system requires major uplifting whilst the evaluation component is comprehension from the reports produced.

Data quality for FAO agricultural inputs programme was assessed on a 7 criteria metrics as given below:

Table 4-1: FAO's Data Quality Rating

DATA QUALITY ASPECT	RATING SCORE OUT OF 5 1=WEAK, 2=BELOW EXPECTATION, 3=SATISFACTORY, 4=STRONG, 5=EXCELLENT	COMMENTS
COMPLETENESS	2	SOME RECORDS HAD NO COMPLETE INFORMATION ESPECIALLY ON REDEMPTION
COMPARABILITY	3	THE DATA RETRIEVAL FORMAT DID NOT FULLY PERMIT COMPARABILITY ACROSS KEY CATEGORIES GENDER, DISABILITY STATUS, GEOGRAPHICAL AND PERIOD.
SECURITY	3	THE M&E SYSTEM DOES NOT HAVE GATE KEEPERS, HENCE IS IT EXPOSED TO MANIPULATION RISK.
ACCURACY	2	THE FACT THAT SEVERAL RECORDS ARE AVAILABLE FOR THE SAME OCCURRENCE (DISTRICT HAVING MORE THAN 1 UPDATED REDEMPTION RECORDS) IMPLIES THAT ACCURACY IS HIGHLY COMPROMISED. ALSO IN PARTICULAR THE ANNUAL REVIEW USED THE TARGET FIGURES AS ACHIEVED IMPLY THAT THE ACCURACY OF DATA IS COMPROMISED.
TIMELINESS	2	TIMELY RETRIEVAL OF DATA WAS A CHALLENGE AND TIMELINESS OF ENTRY WAS NOT SYSTEMATIC AS EXPECTED; HOWEVER THERE WAS EVIDENCE OF TIMELY GATHERING OF DATA.
RELEVANCE	4	INDEED ALL THE DATA GATHERED WAS RELEVANT TO THE OPERATIONS AND KEY PERFORMANCE INDICATORS.
ACCESSIBILITY	2	LIMITED ACCESSIBILITY AS THE MONITORING ROLE IS SHARED BETWEEN OPERATIONS AND M&E UNIT. IN THIS REVIEW ACCESS WAS LIMITED AS SOME PERSONNEL WITH INFORMATION WERE ON LEAVE AND YET THE INFORMATION WAS NOT SHARED.
COHERENCE	3	THERE IS COHERENCE IN THE FORM OF THE KEY INDICATORS.

Monitoring visits

FAO conducted field visits in all the districts on a monthly basis and at times would deploy 2 or 3 teams in different provinces. It was also noted that the field visits ToRs were comprehensive and the teams would submit back to office reports detailed action to be taken. The analysis by the review team concluded that FAO undertook comprehensive field visits that were meant to give management relevant information for decision making. However, the information collected during the field visits was not entirely used to update the data in the monitoring system.

Data collection for monitoring purposes is done through FAO and the implementing partners including the government's extension staff. The other pitfall witnessed by the review team was that partner reports and FAO monitoring data usually had differences in quantities reported. This can be easily fixed if FAO could use the partner data and reports to update their monitoring system. It is also important if FAO could subject their

monitoring and reporting system to interrogation and ensure that the reports are subjected to the necessary rigour before sharing with the outside stakeholders.

4.4 Risks and Assumptions

FAO has an operational risk matrix that spell out mitigation measures against identified risks. Most of the major assumptions made at planning were upheld during the project period except the one on misuse of funds where there are two separate incidents recorded in year1 and year2.

5 Performance of Implementing Partners

5.1 Performance of NGOs

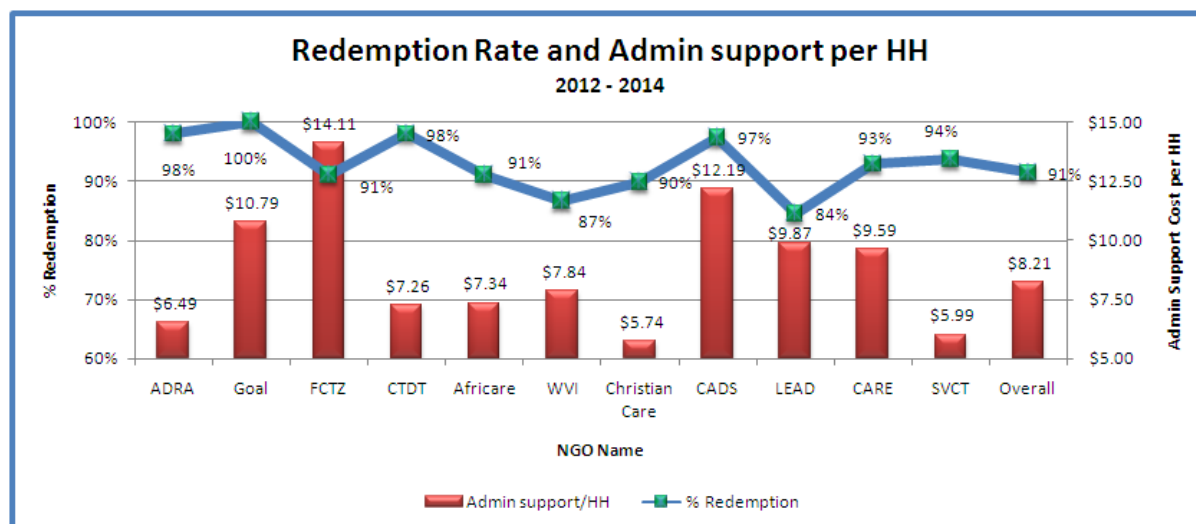


Figure 2: Relationship between Admin support and Redemption rate

Notable performance as given by rate of voucher redemption and the administration budget support per household. WVI and LEAD Trust had redemption rates below 90%, because of Ecocash fraud case in Insiza for year 2 and in Hurungwe farmers struggled to raise the \$100 contribution.

GOAL and FCTZ operated within their districts and the high admin budget support was due to the distances from office to the implementation wards. FCTZ had about 800 beneficiaries in year 1 and yet the distance travelled was huge. CADS operated in one district and hence lacked economies of scale.

All the partners visited had good relations with the district teams and had managed to foster a good sense of ownership of the programme by all key district stakeholders. The development of clear terms of reference for the district teams facilitated the good working relationship. The district team meetings were chaired by government departments with the NGOs being the secretariat. However government service providers consulted noted that programmes would be more relevant and effective if they were involved from the design stage rather than being brought on board at the implementation stage, however FAO consulted and used government guidelines during the design phase of the programme.

The sharing of the M&E budget line between the district team and NGOs needs to improve in order to foster transparency and to keep on strengthening positive ways of working towards building strong partnership with government. Where this has been practised, it is proving to be a good and effective way of partnering with government in the absence of direct government support and should be maintained in future programmes.

Implementing partners submitted reports when they were due, however some end of project reports were not yet submitted by the end of August 2014 when they were due. The analysis by the review team was that the partner reports contained more information than was found in FAO reports, particularly on training of farmers and what the IPs included as success stories from specific farmers on specific issues such as CA and livestock.

5.2 Performance of Private Sector Partners

Part of the programme's goal was to contribute to commercialization of the smallholder agriculture in Zimbabwe through market based approaches that worked mainly through agro-dealers and agriculture input suppliers and financial services companies. The programme is credited with facilitating market based linkages for 287 agro-dealers country wide and input suppliers/contractors and overall these market based arrangements effectively delivered agricultural inputs to 71,202 and 45,172 program beneficiaries in 2012/13 and 2013/14 seasons respectively. The review team noted a number of issues that can inform future program designs.

- The community based agro-dealer was an appropriate entry point to supporting commercialization of the smallholder agricultural communities as it was readily accessible and provided backward linkages with suppliers and forward linkages with farmers. District stakeholders and communities greatly appreciated the fact that the agro-dealer based input program had improved choice of inputs by farmers and directly injected cash into the cash strapped smallholder communities.
- The program increased credibility and negotiating capacity of agro-dealers to get input supplies from agricultural input suppliers under different arrangements including cash purchases and consignment stock. To a large extent these arrangements worked and contributed to the effective delivery of the input support program. On average agro-dealers received consignment stock worth US\$30 000 with some in Binga and Lupane reported to have received as much as \$90 000 worth of stock in 2013/14. (FAO KAP Report 2014 on Agro-dealers). There was evidence that established relationships between agro-dealers and input suppliers would continue beyond the life of the input program. For example NTS a major Harare based agricultural input supplier will be continuing stocking arrangements with ten out of seventeen agro-dealers it worked with in Mashonaland. However other relationships did not work out well as evidenced by the fact that at the time of the review consultations, NTS was still recovering debts from four of the seven agro-dealers that defaulted on the arrangements.
- Agro-dealers provided a market and bulking mechanism for the small surpluses of grain in smallholder communities. This service resulted in the Agro dealers serving as sources of cash more importantly to those women who sell small amounts of grain to meet basic households need like groceries or grinding mill charges. An FAO KAP survey report on Agro-dealers showed that 30% of the agro-dealers were already buying maize in June 2014. This development of local produce market is likely to be disrupted by the recently introduced government of Zimbabwe statutory instrument making it illegal to purchase maize for less than US\$390/mt.
- Financial services- the program promoted the eco-cash platform and E-Mali point of sale system with a smart card for the input voucher transactions. These systems worked well but had a few challenges. The Eco-cash system worked well in two of the three pilot districts, namely Buhera and Zvishavane and farmers were using the system beyond the programme, however the same system ran into problems due to a fraud case involving a staff member of the financial institution. The E-Mali system was considered efficient but it too suffered due to liquidity challenges from its banking partner (Tetrad) which led to delays in payments to agro-dealers who in turn delayed payments to input suppliers.

6 Performance of Funding Donors

6.1 Programme Oversight

The donors received progress reports from FAO and provided feedback and comments on the reports. There were donor field visits during the project implementation and gave feedback to the fund manager on progress and quality issues as part of providing programme oversight.

6.2 Management of Funds

The donors provided financial management oversight by using the acquittals and forecasted expenditure to determine the correct amount to be disbursed rather than following the disbursement schedule as outlined in the MoU. EC has a standing rule that requires 70% expenditure before considering the next disbursement. At times the donors would put on hold disbursements that are due in accordance to the MoU if the expenditure reports showed that fund manager still had enough funds to take it through the next quarter. Such strategic

assessment and checks prior to disbursement ensures the fund managers would not necessarily have more funds than needed. The donors used a combination of the acquittals from the previous period and the forecasted expenditure to inform their decisions on the amount to disburse to the fund manager. This approach reduced the risk of disbursing amounts that the fund manager could not use. Despite the controls put in place by the donors, the current financial records from the Fund Manager show that there is an unspent balance of over \$800,000.00 and over \$300,000 for the DFID/AUSAID and EU programmes respectively.

However, the review team recommends DFID to conduct a Due Diligent process before signing an MoU with any development partner to minimize any exposure of any risk, particularly in the context of semi-stable socio-economic environments. Due diligent or institutional capacity assessment are necessary to fully understand the technical capacity of the fund manager to implement a programme and also absorption capacity which relates to the capacity of the fund manager to fully absorb the budget availed. The environment in Africa and Zimbabwe in particular, requires a routine risk assessment approach to programme management.

7 Financial performance and Value for Money

DFID and AusAid made available GBP10,034,500 (equivalent to US\$15,786,280) to FAO for the implementation of the **Market Based Agricultural Inputs Programme** from June 2012 to July 2014. To this date, FAO has an expenditure of US\$14,981,312, leaving an unspent balance of **US\$804,968** according to the interim report provided.

The programme expenditure represents 95% of the total budget and the major cost drivers were the crop and livestock vouchers (63%), personnel costs (11%) and head-office expenses (10%). Training, M&E had a small expenditure of 4% and 5% respectively.

FAO had no specific VFM indicators being tracked, however, the following were key actions undertaken by FAO to achieve VFM performance:-

- (i) The recruitment of implementing partners was done through a competitive bidding process,
- (ii) The recruitment of private companies for the provision of services was done through a competitive bidding process,
- (iii) All the selected partners were subjected to a rigorous contract negotiation in which budgets submitted were reduced by making use of standard unit costs for mileage and office running costs,
- (iv) Supply agricultural inputs were through a market based system and beneficiaries used vouchers. No inputs were purchased except a few for the demonstration plots.
- (v) Purchase of assets and equipment were restricted by the donors.

Key assumptions for the value for money analysis were:

Programme cost is composed of inputs, training, and monitoring and evaluation. Administration cost consists of office running costs, personnel costs, and head office expenses (normally referred to as overhead costs).

Expenditure for year 2 is interim subject to possible changes from the final certified report due in January 2015 for the DFID/AUSAID component. Cumulative expenses are also interim based on above, though yr 1 expenses are based on actual.

7.1 VfM Scoring

Table 7-1: VFM Scoring

VFM Score (1-low, 5 excellent)		1	2	3	4	5
Effectiveness	Sustainability			X		
	Impact			X		
Efficiency	Efficiency		X			
Economy	Unit Costs			X		
	Procurement			X		

FAO did not maintain a good balance between the 3 Es and therefore value realised by the programme was diluted. In general, the programme exhibited value for money particularly on procurement of the implementing partners, and the other private companies. There is evidence to show that the programme was effective as measured by 76% of the targeted populations being food secure in year 1 and 94% in year 2. Efficiency was rather low and this is common for a programme that involves distribution of food or agricultural inputs. There were economic benefits which is a proxy for sustainability particularly to livestock beneficiaries. Efficiency was also affected by the M&E system that failed to detect that over 7,000 households were not reached with vouchers in year 1.

7.2 Economy

Total overheads constitute 28% of the expenditure which is below a benchmark ceiling of 30%, implying that this was an economic programme to administer. Some economy was also gained from the fact that FAO head office fee is 10% for this programme instead of the usual 13% for non-humanitarian / emergency interventions. The analysis of the head office fees of 10% makes FAO competitive than private companies who normally charge above 13% of the programme expenditure. FAO maximised cost savings by using a competitive procurement system where the company that offered the cheapest service at the acceptable quality level were selected.

The cost of procuring the distribution modalities (mobile cash, electronic voucher, and paper voucher) remains too high and increased from year 1. The increase was due to economies of scale in year 1 where the programme reached over 55,000 households as opposed to year 2 which reached over 28,000 households. The table below shows the different transaction or service costs.

Table 7-2: Transaction cost by distribution mode per HH

Distribution mode	Yr 1	Yr 2	Comments
	Transaction/HH	Transaction/HH	
Paper-Crop	\$ 0.41	\$ 0.99	Remains the cheapest option; however has administrative challenges such as slowness in reconciling redeemed vouchers.
Paper-Livestock	\$ 8.43	\$ 8.57	Expensive because of Cash in Transit service, however this mode is also risk in terms of losing the cash in transit.
Mobile-Cash	\$ -	\$ 7.88	This is the economic model of distributing inputs, if we are to weigh administrative challenges and the risk associated

			with CIT.
E-cards	\$ 12.65	\$ 16.80	Very expensive as it requires more back-up support and hiring of POS devices.

The 7,864 households reached in year 2 through electronic cards could have had some savings if mobile cash or paper voucher was used. From economic perspective, future and similar programmes should use mobile cash as this service is provided for by many companies at the same or even lower rates.

Because of the reasons cited above, Programme procurement and unit costs were both rated 3.

7.3 Efficiency

The cost of delivering a dollar (\$1) worth of services to a beneficiary are way higher than the benchmark of \$0.30. The programme used \$0.39 to deliver a \$1 worth of services (training, M&E and inputs) to a household. The programme improved in year 2 as it moved closer to the target. Year 1 cost of delivery was too high (US\$0.41), which is usually some inefficiencies associated at the start-up of a programme. (An equivalent measure of the above is the Total Cost Transfer Ratio (TCTR), and the programme had TCTR of 1.41 for year 1, 1.33 for year 2 and 1.39 for the programme duration). Similar programmes in Zambia (2002-4) and Malawi (2000) had TCTR of 1.17 and 1.46 respectively; however because of the time lags it has not been ideal to compare these ratios.

The overall output achievement and redemption rate was 92% for each and a burn rate of 95%. Ideally, the burn rate should have been lower than the output achievement and redemption rate if the programme was efficient.

Therefore, programme efficiency was scored a 2 based on the high delivery cost per dollar and high burn rate against the out achievement.

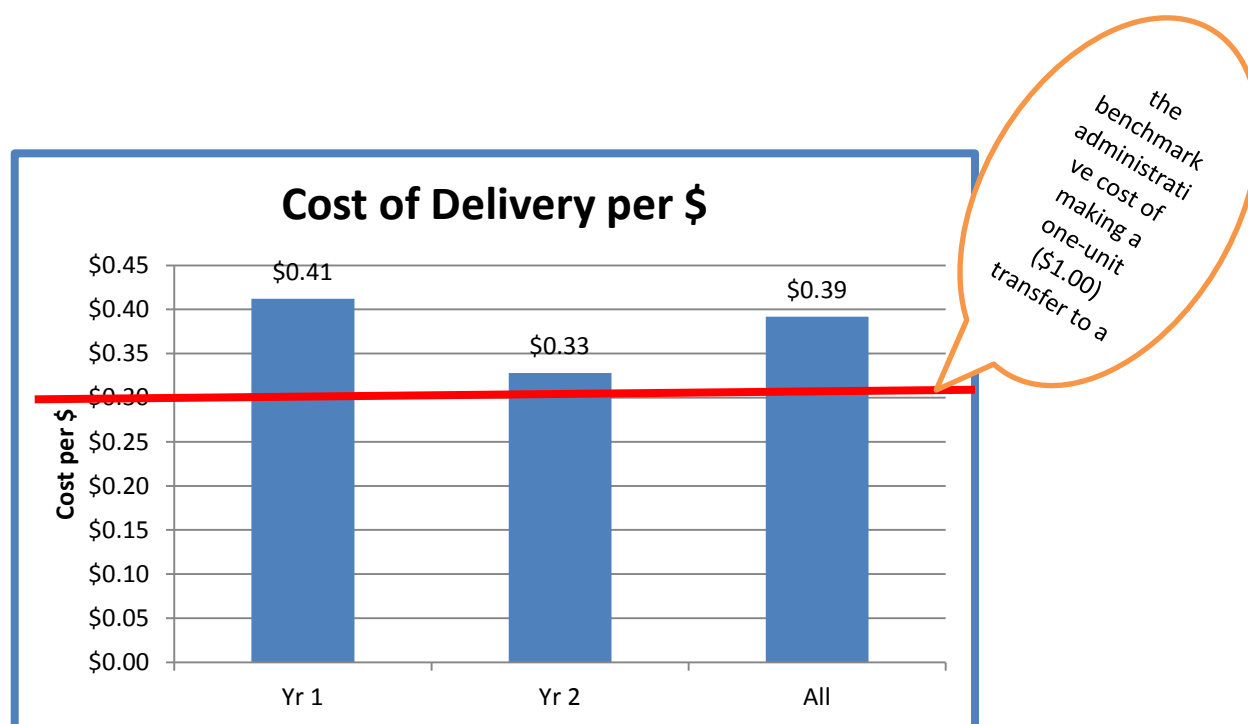


Figure 3: Cost of delivery per dollar

7.4 Effectiveness

Programme effectiveness was measured using proportion of the targeted population who are food secure and the percentage change in production per hectare for the targeted population.

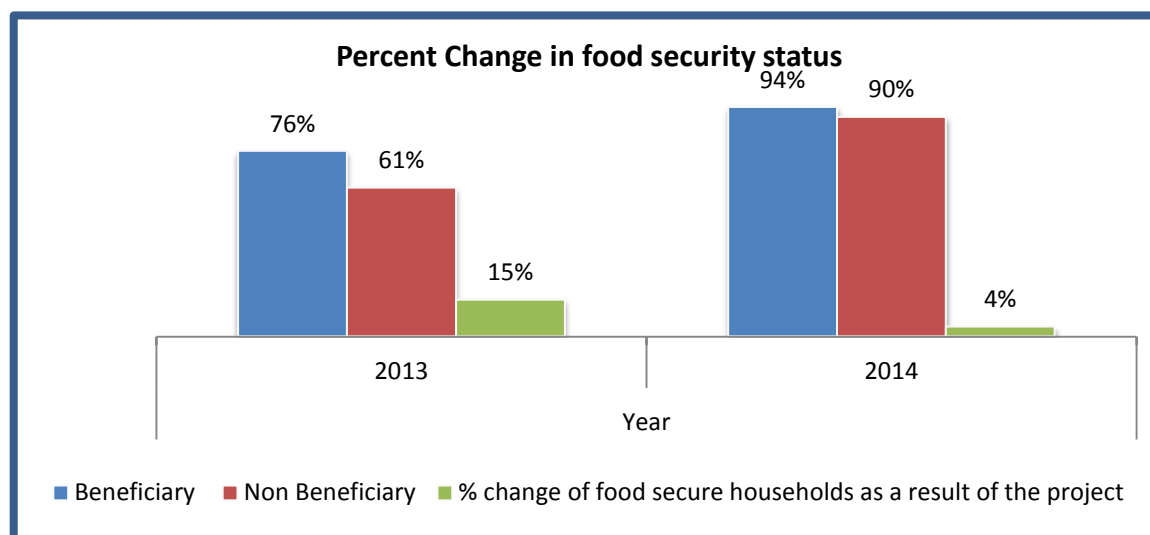


Figure 4: Percent change of the targeted population who are now food secure as a result of the inputs/project

In the 2012/13 season, the programme had 76% of its beneficiaries were food secure, however 61% of the non-beneficiaries were also food secure, hence the difference between the two groups is a direct effect of the programme.

If we take away the effect of co-variate (non beneficiary situation), then the programme made 15% of the beneficiaries food secure in the 2012/13 season. The programme was more effective in year 1 (15%) as more households were made food secure than in year 2 (4%). The programme effectiveness in year was diluted by rainfall effect which reduced the net impact of accessing inputs and possibly the government's free inputs programme.

Table 7-3: production per hectare for the targeted population and the associated cost in achieving the production change per household

Maize production per hectare			
Maize production parameters on average	2011/12	2012/13	2013/14
Yield for a beneficiary (mt/ha)	0.630	0.713	1.516
Yield for non beneficiary (mt/ha)	0.630	0.411	0.981
% change in production per hectare for the beneficiaries (non-beneficiary used as the baseline)		73%	55%
Associated Total Budget support per beneficiary		\$208.00	\$123.00
Associated Direct Budget support per beneficiary		\$147.00	\$92.35

The programme data available for this analysis is for maize only. The analysis is showing that donor support is more significant in a bad agricultural season, and 'bad' is synonymous with below rainfall pattern in the districts of implementation and 'good' season means rainfall received is above normal according to meteorological department.

There was more change in production in year 1 (73%) than year 2 (55%). The programme made huge impact in year 1 as the beneficiaries had more production per hectare in year 1 than in year 2. The data is showing that

per every \$1 given to a crop inputs beneficiary, there is a corresponding 0.4% increase in production per hectare.

Because of the food security and production per hectare impact reached by the programme, effectiveness was rated a 3.

7.4.1 Economic Benefits

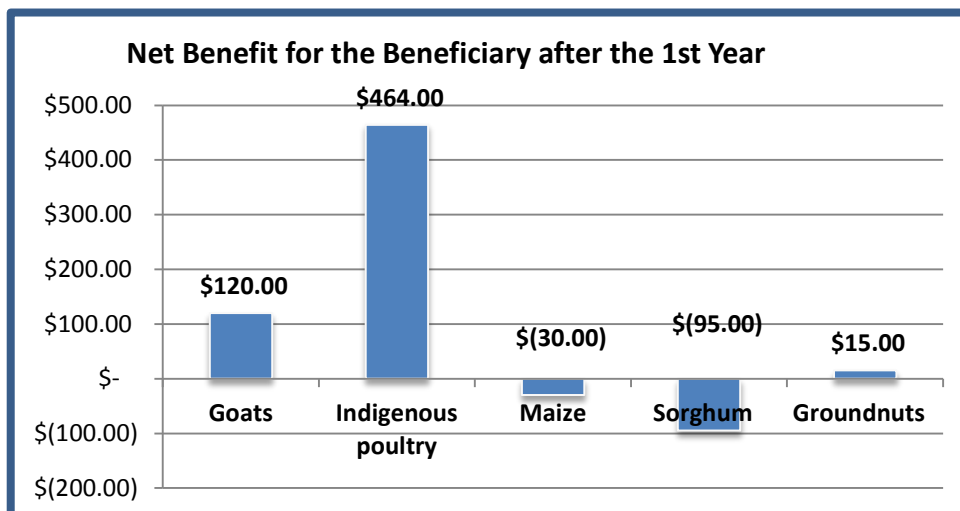


Figure 5: Economic benefits for beneficiaries

Programme sustainability was measured in terms of the economic benefit accrued after a year of participating in the programme.

A beneficiary who bought 4 goats through the voucher would have an expected output of 7 goats in total after year 1. Hence the net benefit is 7 goats by US\$40 less the amount of vouchers of US\$160.

A beneficiary who used US\$160 to buy inputs for groundnuts would get a yield of 0.25mt/ha more than a non beneficiary. Hence, the net benefit of US\$15 after removing the value of inputs. The analysis shows that small livestock have more economic benefits than crops, hence livestock is a more sustainable option than crops to programme beneficiaries.

8 Key Lessons and Recommendations

Lessons

- The principle of 50:50 farmer contributions with a menu approach is an acceptable and effective approach that encourages inclusive intervention support to communities recovering from major stress periods.
- The District Team approach, which is an inclusive key stakeholder's project management and coordination team, is an effective platform for coordinated program support which increases chances of project ownership, sustainability and effectiveness.
- The time for implementing crop input support should always be different from the time for delivering livestock input support for it to be in sync with the farmer's priorities and management of resources. When implemented together and particularly just prior to the planting season, farmers tend to prioritise investing resources in crops before livestock.
- The fund manager M&E system should be linked to the partner M&E system and needs to be updated regularly so that the programme has a live system which informs timely programme decision making.

Recommendations

- It is recommended that short term projects should be designed and delivered as part of an overall long term strategic development and recovery framework to maximise synergies and use of emerging lessons/experiences while building on previous donor investments.
- Future input support programme are recommended to build on the 50:50 principle with a menu of options e.g. \$40; \$60; \$80 and \$100 for farmer contributions in supporting communities recovering from shocks, to reduce dependency and encourage market based approaches in rebuilding the asset base of these communities.
- Design programs and adapt business models that integrate Agro-dealers into value chain development of smallholder communities.
- Long term livestock development and marketing programmes in future should promote and integrate in their planning the use of the para-vets and include an incentive programme (such as provision of bicycles and vet kits) for the para-vets as they have become a vital cog in the wheel of livestock veterinary extension system.
- Integration of the farming as a business training into other trainings is recommended as it has potential to shift farmers' attitude towards commercial agriculture and shifting mindset towards commercialisation of smallholder farming and improving food security situation of the smallholder farmers.
- As a climate change mitigation strategy donor programmes are recommended to keep on supporting private sector to improve further micro insurance products on offer on the market and support them to meet development and mobilisation costs. Despite the low uptake of insurance product by the farmers in the second year, there is potential demand for micro-insurance products by smallholder farmers and also it is an important weather mitigation measure since it can be used to cushion against weather extremes, whether drought or excessive rainfall leading to water logging of crops.
- Donors should retain the option of assessing the local FAO offices' capacity especially project specific capacity although it has to be guided by the existing global framework agreement.
- In future programmes, the donors should ensure that the final financial report is submitted within 3 months if it is certified or 6 months for an audited report.
- FAO should revise the EU end of project report and resubmit to the EU
- FAO should adopt a more flexible financial reporting system that is live, and minimize lead time between Harare and Rome.
- On managing funds advanced to partners FAO need to consider the introduction of acquittals from the current end of implementation only to quarterly or half-yearly and pay on receipt and acceptance of the expenditure report.
- FAO is recommended to strengthen data quality of M&E system; the system should ensure data that is accurate and complete is uploaded. The appointment of a gate keeper for the system is also important to ensure timely access to the repository which is regularly reviewed.

Annex 1: Value for Money scoring notes

	1	2	3	4	5
Impact	No evidence that Theory of Change (ToC) has been realised No evidence outputs have delivered outcome. No evidence of real difference made to beneficiaries	Minimal evidence that ToC has been realised Little likelihood outputs have delivered outcome Minimal evidence of real difference made to beneficiaries	Some evidence that ToC has been realised Outputs are necessary & sufficient to deliver outcome Some evidence of real difference made to beneficiaries	Strong evidence that ToC has been realised Outputs are necessary & sufficient to deliver outcome Strong evidence of real difference made to beneficiaries	Overwhelming evidence that ToC has been realised. Outputs are necessary & sufficient to deliver outcome Overwhelming evidence of real difference made to beneficiaries
Sustainability	No likelihood that benefits will continue post-project, no evidence of leverage, replication or additional benefits (e.g. scale-up)	Minimal likelihood that benefits will continue post project, limited evidence of leverage, replication or additional benefits	Some possibility that benefits will continue post project. Leverage and replication identified & supported by some evidence &/or some potential for additional benefits	Strong evidence that benefits will continue post project. Leverage and replication identified and supported by strong evidence and/or considerable potential for additional benefits	Overwhelming evidence that benefits will continue post project. Leverage and replication identified & supported by strong evidence and significant potential for additional benefits
Efficiency	Inputs to output ratios higher than similar programmes & no mitigating factors identified No evidence that value of outputs is optimised	Inputs to output ratios higher than similar programmes & few mitigating factors identified Little evidence that value of outputs is optimised	Inputs to output ratios comparable to similar programmes & few mitigating factors identified Some evidence that value of outputs is optimised	Inputs to output ratios lower than similar programmes. Good evidence that value of outputs is optimised (e.g. through timing of delivery, increase in proportion of output; decrease in proportion of input)	Inputs to output ratios lower than similar programmes. Strong evidence that value of outputs is optimised (e.g. through timing of delivery, increase in proportion of output; decrease in proportion of input)
Unit Costs	Very high cost compared with benchmarked unit cost (BM). No mitigating factors identified.	Cost is above BM Few mitigating factors explained which justify additional cost	Cost comparable with BM No additional benefits identified	Cost comparable with BM Some additional benefits described and quantified	Cost is below BM Some additional benefits described and quantified
Procurement	No discernable use of procurement to manage or reduce costs On-going monitoring of procurement costs not identified	Some identifiable use of procurement to manage or reduce costs On-going monitoring of procurement costs not identified	Procurement used to manage and reduce costs On-going monitoring of procurement costs planned	Procurement used to manage and reduce costs supported by evidence On-going monitoring of procurement costs	Procurement used to manage & reduce costs significantly supported by significant evidence. On-going monitoring of procurement costs

Key: Programme scores in shaded blue colour.

Annex 2: Procurement information for NGOs

Project & Lot name	Districts Covered	Number of service providers (NGOs) who responded for the district	Comments
Option 1 (201/EC project)			
Lot 2	Matobo	4	2 NGOs were engaged (1 for Goromonzi District and 1 for Lupane, Hurungwe and Matobo districts)
	Hurungwe	1	
	Goromonzi	1	
	Lupane	3	
Option 2 (202/uk project)			
Lot 1	Bikita	2	3 NGOs were engaged (1 for Mwenezi, 1 for Chiredzi and 1 for Zaka, Bikita, Chivi, Masvingo)
	Chiredzi	5	
	Masvingo	3	
	Chivi	3	
	Mwenezi	3	
	Zaka	3	
Lot 3	Binga	2	2 NGOs were engaged (1 for Binga ,1 for Hwange and Tsholotsho districts)
	Hwange	1	
	Tsholotsho	2	
Lot 4	Buhera	3	1 NGO was engaged for the district
Lot 5	Bulilima	2	2 NGOs were engaged (1 for Bulilima and 1 for Gwanda, Insiza, Mangwe)
	Gwanda	1	
	Insiza	2	
	Mangwe	2	
Lot 6	Mudzi	2	1 NGOs was engaed for both districts
	UMP	2	
Lot 7	Gokwe South	4	2 NGOs were engaged (1 for Gokwe South, Zvishvane and 1 for Mberengwa districts)
	Mberengwa	6	
	Zvishavane	5	
Lot 8	Kariba	3	1 NGOs was engaged for the district

Annex 3: Updated beneficiary numbers by FAO

Please note that these number have not been verified by the review team as they were submitted on Thursday 25 Sept and the final PCR report is due on Monday 29 Sept. Verification of the numbers involves going through partner reports and contacting the partner office for clarification. (These partner reports were not available to the review as they were yet to be submitted to FAO)

DFID/ AusAid	Year 1 Aug 2012 - June 2013				Year 2 July 2013 - June 2014			
Input Type	Planned	Achieved	Total Value planned	Total Value Redeemed	Planned	Achieved	Total Value planned	Total Value Redeemed
Crop	31,522	31,522	\$ 5,043,520.00	\$ 5,008,292.84	8359	7089.475	\$ 979,124.00	\$ 858,977.00
Livestock	28,541	28,541	\$ 4,550,560.00	\$ 4,442,355.00	21844	21074	\$ 3,495,040.00	\$ 3,376,739.80
Total for Inputs	60,063	60,063	\$ 9,594,080.00	\$ 9,450,647.84	30,203	28,163	\$ 4,474,164.00	\$ 4,235,716.80
% Achievement	100%				93%			
% Redemption			99%				95%	

EU	Year 1 May 2012 - June 2013				Year 2 July 2013 - June 2014			
Input Type	Planned	Achieved	Total Value planned	Total Value Redeemed	Planned	Achieved	Total Value planned	Total Value Redeemed
Crop	12,300	11,975	\$ 1,969,120.00	\$ 1,937,850.84	12300	12124.36	\$ 1,170,000.00	\$ 1,151,496.56
Livestock	5,500	5,500	\$ 960,000.00	\$ 954,355.00	5500	4890	\$ 960,000.00	\$ 841,320.00
Total for Inputs	17,800	17,475	\$ 2,929,120.00	\$ 2,892,205.84	17,800	17,014	\$ 2,130,000.00	\$ 1,992,816.56
% Achievement	98%				96%			
% Redemption			99%				94%	