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Sida Decentralised Evaluation

NIRAS Sweden AB

Midterm Evaluation of the Food Enterprises for a Developed Zambia Project (FED)

Final Report

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**Final Report
March 2024**

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The views and interpretations expressed in this report are the authors' and do not necessarily reflect those of the Swedish International Development Cooperation Agency, Sida.

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Table of contents

Table of contents	i
Abbreviations and Acronyms	iii
Preface	iv
Executive Summary	v
1 Introduction	1
1.1 Purpose	1
1.2 Approach	1
1.3 Methods	2
1.4 Limitations	3
2 The Evaluated Intervention	4
2.1 Overview of FED	4
2.2 Context	5
3 Findings: Relevance	8
3.1 Responsiveness to clients	8
4 Findings: Effectiveness	11
4.1 Contributions towards objectives	11
4.2 Monitoring and evaluation	19
5 Findings: Efficiency	21
5.1 Economic efficiency and timely delivery	21
6 Findings: Other	27
6.1 Impacts on the environment	27
6.2 Changes in gender norms	28
6.3 Poor people's perspectives and HRBA	28
7 Evaluative Conclusions	31
7.1 Overall conclusions	31
7.2 Conclusions in relation to the ToC	33
8 Lessons Learned	34
8.1 Lessons for an eventual future phase	34
9 Recommendations	37
9.1 Recommendations to FED in the current project	37

9.2 Recommendations to FED regarding an eventual future phase	37
9.3 Recommendations to Sida	39
Annex 1 – Terms of Reference.....	40
Annex 2 – Documents reviewed	49
Annex 3 – E-survey results	52
Annex 4 – Inception report.....	53

Abbreviations and Acronyms

CEEC	Citizen Economic Empowerment Commission
CTA	Customised technical assistance
EQ	Evaluation Question
FED	Food Enterprises for a Developed Zambia
GDP	Gross Domestic Product
KII	Key informant interview
M&E	Monitoring and Evaluation
SME	Small and medium-sized enterprises
SNAP	Second National Agricultural Policy
SOP	Standard Operating Procedure
ToC	Theory of Change
ToR	Terms of Reference
VC	Value Chain
ZABS	Zambia Bureau of Standards
ZCF	Zambia Cooperative Foundation
ZCSA	Zambia Compulsory Standards Agency
ZDA	Zambia Development Agency
UN	United Nations

Preface

The report was prepared by the following team selected by NIRAS Sweden AB:

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The findings and recommendation of the report are the responsibility of NIRAS and the evaluation team, and should not be taken as expressions of Sida policies or opinions.

Executive Summary

Overview

The purpose of this evaluation is to assess the performance of the Food Enterprises for a Developed Zambia (FED) project and identify areas for improvement. The overall approach to the evaluation was theory-based with a strong emphasis on understanding if and how the assumptions (explicit and implicit) in the project's revised theory of change are correct. Given the contextual challenges that processing firms face within their business operations, the Evaluation Team paid particular attention to how stakeholders perceived the value of FED's inputs as part of efforts to make businesses profitable, productive and sustainable.

Findings

Relevance: FED has ensured relevance by listening to its clients and learning from their experience while adapting support to emerging lessons. There was a strong emphasis on initial diagnostics and needs assessments to inform support plans – which were largely related to food safety standards and standard operating procedures. FED was successful in establishing collaborative partnerships with key government agencies and industry groups to leverage their expertise. Capital investments in equipment helped increase production capacity, but grant size limitations sometimes constrained results deriving from the assets procured. Standard operating procedures, prepared after initial diagnostic sessions between FED staff and clients, were developed in a participatory way to ensure that they were aligned with needs and capacities. Advice was customised to clients' needs and circumstances. The evaluation found that the project was managed in such a way that it was able to respond to changes in context – the reaction to the COVID-19 pandemic being a key indicator of this. Overall, FED's interventions have been well-tailored to the needs of Zambia's food processing sector, laying important groundwork for enhancing the performance and market readiness of supported enterprises.

Effectiveness: FED support has been quite effective, but it is not a panacea in a challenging environment. Project services can provide a basis for increasing business performance in cases where product quality and compliance with certification standards are the main constraining factors. However, external factors have had major impact on ultimate results. The performance of client businesses in many respects reflects factors outside the FED sphere of influence.

Specialised training on food safety, standards and standard operating procedures contributed to regulatory compliance and certification. However, meeting these standards is not a guarantee for accessing new markets. A common theme when clients were asked about the value of FED support is that the project provided critical training, guidance and assistance relating to recognised important aspects of running a food processing business, but they were still facing difficulties related to capital, infrastructure and market access that prevent full realisation of the benefits in increasing their profits and production.

Results appear inconclusive regarding ultimate access to new markets. Most interviewees were looking forward to accessing new markets and some had diversified their production accordingly. Clients commonly described how they were now more aware of the reasons why certification is important and were taking steps to improve their packaging and branding to make their products more attractive. However, many had not yet succeeded in entering more profitable markets for the reasons mentioned above.

In-kind provision of assets has yielded mixed results. Interviewees were generally positive about the type of equipment and infrastructural investments provided. For some it was clearly essential for achieving certification and meeting safety standards. However, the impact on their

productivity and profitability was often limited. The capital amounts were often insufficient to purchase the equipment needed. Increased revenues and profits are reported by some, especially women-owned firms/cooperatives – but most clients are struggling to grow, in part because they were still recouping the costs of their capital investments, and also due to economic volatility and uneven access to raw materials.

Though not an explicit objective of FED, in interviews most clients expressed awareness and pride regarding the impacts their companies were having on the nutrition and health of the consumers of their products.

FED has succeeded in targeting women-led and owned enterprises, with some preliminary evidence of improvements in performance. Women make up 45% of programme beneficiaries – which is close to the 50% target. There are good examples of individual women's empowerment through training. FED has both targeted female-led enterprises, while gender-related efforts among male-led enterprises have been more focused on awareness.

FED has in several cases provided a basis for this essential first step in formalising the generally informal micro-enterprises that tend to mainly be owned by women. The first step, for which FED has provided significant support, has been to enable such enterprises to establish production facilities outside the owners' own kitchens, thereby taking a crucial step towards certification. However, compliance with other aspects of the certification process and accessing major markets constitute a leap that some have not yet achieved.

FED fills a clear and vital niche, but sustainable systemic impacts are uncertain. Sector-wide training provides a good platform for discussing service roles at system levels. These interventions are insufficient in scope and scale to drive comprehensive dialogue on the systemic issues facing agro-processing in Zambia, but they have provided a valuable forum to inform policy decisions on an area of the economy identified as an engine of future growth.

Monitoring and evaluation: FED's M&E is largely credible and is used for planning but lacks temporal scope to analyse longer-term outcomes. There is strong ownership within the FED team of the need to analyse and utilise M&E data. The FED team recognises limitations in their M&E system that relate to the relatively short timeframe of the project and a reliance on clients self-reporting data. The revisions to the theory of change in 2023 reflected how the M&E system contributed to the FED team's awareness about the timeframe needed to achieve outcomes and the over-optimism in the initial plans and inception phase.

Efficiency: The very ambitious geographical reach of the project, paired with the deficiencies in the selection process, resulted in inefficiencies, although the broad scope of training and support services provided were appreciated by clients. Travel expenses are considerable due to the national scope. In response to this, efforts were made to conduct some training virtually during the pandemic and this has largely been effective and appreciated.

In-kind support has contributed to client performance, but the limited size of grants was a constraint to business scaling. In some cases, machines bought were smaller than necessary because of budgetary constraints. Despite largely efficient procedures, bureaucracy and delays in procurement processes hindered timeliness of results and frustrated some clients. Despite these issues, capital investments made by the project have enabled concrete business growth and systemic changes, although at a more limited scale than originally envisaged.

FED has engaged in relatively flexible response to client needs in ways that transcend what the evaluation team judges to be its core roles of customised technical assistance and investments related to certification, food safety and hygiene. This has resulted in 'dabbling' in areas that are essential but outside its core added value (e.g., financing of raw materials) In these cases, FED engagement is inevitably less efficient due to its ad hoc approach. FED staff recognise their difficulties in 'drawing the line' between responding to clients' needs and ensuring efficiency. These trade-offs ultimately relate to the importance of addressing overall issues in the value chain, while maintaining a viable role for a modest-sized project.

Environment: Climate risk analysis and environmental criteria have not been systematically mainstreamed into procurement decisions. FED’s environmental engagements are most effective in waste management. Training on waste management, composting, reduced water usage and clean production processes have had positive environmental effects. The Evaluation Team judges that the current scope of FED limits entry points for environmental interventions given that clients primarily expect FED to provide support relating to aspects of their firms that are only tangentially related to the environment. If FED was to take on a heavier environmental focus, it would involve a significant normative shift beyond the current emphasis on enhancing agro-processing productivity and profitability.

Gender norms: Awareness and commitment to changing gender norms are clearly evident among FED staff and well-integrated into training. The project has made progress and is appreciated for its efforts to foster changes in gender norms. FED has actively encouraged women to assume more leadership roles, and the evaluation surfaced some anecdotal evidence of normative changes in how women's roles and competencies are viewed in the workplace. However, outcomes tend to be focussed on participation and equality norms within individual firms, rather than fundamentally challenging root societal barriers, which is arguably outside the scope of the intervention.

Poor people’s perspectives and human rights: Though not an explicit goal, FED is conscious of the need to emphasise results related to the ‘bottom of the pyramid’ and human rights standards. Although there is no evidence of mapping against human rights frameworks, progress has been made in urging clients towards commitments on staff health insurance/pensions to align with formal employment rights norms, and the COVID-19 pandemic and a cholera outbreak in 2024 have underscored the importance of FED's work on safe manufacturing practices as both a business resilience and human rights issue. Modest impact has been achieved on poverty by generating employment, but efforts are more focused on firms’ performance. FED is effective at reaching micro-enterprises and thereby having a direct impact on poverty. But this comes with considerable cost in terms of staff time and logistics, and it can be questioned whether these benefits justify the costs.

Conclusions and lessons learned

The boundaries of FED’s mandate were not entirely clear at the outset, but the project has applied a learning approach and has arrived at a highly relevant, and relatively effective and efficient approach to building agro-processing enterprises. At mid-term, outcomes have been limited due to a difficult and volatile context, as well as the time required to apply skills and investments. This is particularly apparent in relation to the structural obstacles facing small firms in supplying to large retail outlets. Expanded results may rely on additional partnerships and types of interventions (beyond FED) to provide enterprises with a sufficient package of support. However, the FED model constitutes an important and viable niche, aligned with Zambia’s overall development objectives, in responding to the needs and developing the potential of agro-processing firms in the following:

- Enhancing (and creating conditions to enhance) productivity and profitability
- Accessing new markets
- Empowering women entrepreneurs
- Enhancing the quantity, quality and gender equality of employment in this sub-sector
- Reducing pollutants
- Increasing access to healthier, locally produced food

The evaluation observed significant hopes and demands for broader engagement in food systems, i.e., in areas of financing raw materials, brokering contracts for its clients, and in upstream food production advice and facilitation. These are clearly relevant and needed. However, the evaluation deems that these are not within FED’s core mandate, capacities and added value. FED should emphasise four processes going forward:

Clearly defining FED's role in the wider agro-processing service landscape: FED's relations with clients and partners could be strengthened by more proactive efforts to define what the project does and does not intend to do, and communicating these clearly to clients. FED should not become an extension service nor a financial service provider, even though these are sorely needed. FED's flexibility until now has been warranted as part of a learning process. At this point in the project cycle, however, FED should be able to define its role, strengths and acknowledge its limitations more clearly. This should be based on a more 'pragmatic' theory of change that acknowledges that FED will never be a panacea for reaching unreachable markets and overcoming economy of scale factors.

Reinforcing partnerships where available: FED should expand its already commendable efforts to establish and reinforce partnerships with other agencies to assist its clients to access finance for raw materials, leverage support for larger investments, and generally find profitable and sustainable business models.

Advocacy and dialogue for addressing prevailing gaps: Partnerships are nonetheless not a panacea, given the scale of the needs and the limited range and constraints of potential agro-processing partners in Zambia. The experience of the sector-wide training indicates the importance of and potential to keep these gaps in access to support on the food systems agenda.

Deciding on the scale of enterprises to focus on: FED has been successful in reaching and providing meaningful support to micro-enterprises. However, in cost/benefit terms, the efficiency of this support can be questioned. The future of this micro-enterprise support relates to Sida and TechnoServe values and priorities, i.e., regarding commitments to reaching the poorest clients directly versus accepting a degree of 'triage' wherein many (perhaps most) of the smallest enterprises are judged to be likely to be unviable or are 'too expensive' to reach with the level of support they need. TechnoServe has developed sufficient knowledge to provide a nuanced proposal in this regard, balancing efficiency and steadfast commitments to poverty alleviation. This discussion should happen in the near future however, allowing meaningful resource allocation to happen before the end of the current phase if required.

Summary recommendations

During the current phase FED management should begin taking steps to put into place modifications for a smooth transition to a possible second phase. This could involve further value chain analyses and exploration of the demand from stakeholders for creating a multi-stakeholder platform for discussing the factors facing micro and small-scale agro-processors.

In an eventual future phase FED should retain a largely national scope but narrow target groups by prioritising selected value chains with a major impact on livelihoods of the poor. A focus on a few value chains would facilitate more efficient, intense, specialised support to clients. FED should select value chains to focus on based on analyses already conducted that highlight areas where poor clients can benefit (e.g., honey in North-Western Province) and avoiding those where it is unlikely that micro and small/medium enterprises will be able to 'make the leap' to compete with large firms (e.g., edible oils).

FED should look closer at their clients' strategies to access capital (especially for purchasing raw materials and covering recurrent costs) and expand collaboration with financial service providers. Apart from emergency situations, FED should not provide grants to cover these costs. The engagement with financial actors and investment schemes should be facilitated through donor coordination. The FED contribution to this should be by convening a more ambitious agenda of sector-wide dialogue, using the valuable lessons that have been generated by FED thus far as a platform for discussion.

1 Introduction

1.1 PURPOSE

The purpose of this evaluation is to assess the performance of the Food Enterprises for a Developed Zambia (FED) project and identify areas for improvement. FED has been implemented since 2020 and is intended to end in 2024. As per the Terms of Reference (ToR, see annex 1) and discussions during the inception phase, the evaluation covers the period since the start of implementation until the end of 2023. The scope of the evaluation reflects the project's original and current theory of change (ToC) and also reflects the evaluation team's interpretation of the prevailing assumptions in relation to a revised theory of change developed in the inception phase.

The framework for analysis reflects the goals of Sweden's development cooperation for Zambia:

- Human rights, democracy, the rule of law and gender equality
- Environment, climate, renewable energy and sustainable, inclusive economic development and livelihoods

1.2 APPROACH

The overall approach to the evaluation, developed in the inception phase of the evaluation (see annex 4), was theory-based with a strong emphasis on understanding if and how the assumptions (explicit and implicit) in the FED (initial and current) and Evaluation Team's revised ToC are correct. Analyses focussed on the relevance and effectiveness of FED in relation to:

- How realistic the goals have been
- The extent to which there has been an efficient effort to work towards these goals
- How well targeted approaches have been in relation to the rights, needs and capacities of different clients
- How the context (including factors such as the macroeconomy and the COVID 19 pandemic) affected prospects for accomplishments.

Given the major impact of the volatile context, and the challenges that processing firms face within their business operations (see chapter 2 for a description of the project and its context), the Evaluation Team paid particular attention to how FED's clients, staff and informed outside observers perceived the value of FED's inputs in light of their own efforts to make businesses profitable, productive and sustainable.

An area of focus was FED's approach to mainstreaming gender and the effect it has had on narrowing gaps in terms of women's participation and access to opportunities for business and capacity enhancement.

1.3 METHODS

The evaluation applied several methods to assess outcomes and impact, as well as understand drivers of change. See the inception report (annex 4) for a more detailed description of the approach and methods. A key technique was the 'most significant change' method (related to outcome harvesting), wherein clients described major changes in their enterprises over the past two years, both positive and negative, and why these occurred. The aim was to determine if and how changes were traceable to the FED project.

Comparisons were made regarding trends facing enterprises of different sizes and locations, differential impacts on women-owned versus men-owned businesses, and across enterprise categories. Interviews with 30 clients probed their perspectives on FED's overall value-addition for their work and resilience. Seven outside stakeholders were also interviewed for wider perspectives on FED's niche and integration in the agricultural support landscape. An e-survey of all clients that garnered 34 responses (out of FED's 107 clients¹) supplemented interviews.

A document and data review provided background on funded micro- and small- and medium-enterprises (SMEs), monitoring approaches, and alignment of implementation with initial aims. Literature on agro-processing industry trends, the pandemic's impacts, and lessons from comparable approaches was analysed with a view to informing the evaluation.

Brief business diagnostic case studies of ten first phase FED clients focused on return on investment relative to service costs. Indicators assessed over two years included production volumes, revenues, proportion of output sold versus kept, jobs created and their gender balance, certifications/infrastructure upgrades, income diversification, market linkages, and sustainability practices. The limited available data means findings are indicative (and inconsistent) rather than definitive. The findings of these cases have been integrated into the overall analyses in this report.

The thirty client key informant interviews (KII) were purposively sampled for diversity in gender, location, enterprise type and size, and other criteria. Four of thirteen selected districts were cities, three were municipalities, six were rural areas. Most of sampled businesses were female-owned, especially micro-enterprises, with an emphasis on poverty and business formalisation issues. Both first and second FED client cohorts² were covered to understand differing needs and outcomes. Enterprises that were both certified and seeking certification were included, as were some urban central business district locations, to analyse the impact of these factors.

Additionally, seven interviews gathered perspectives from FED's institutional partners and expert observers on FED's positioning in the sector support landscape and approach effectiveness. In thirteen interviews, FED staff explained the project's evolution and self-assessment of assumptions, theories of change, and future prospects to sustain outcomes.

Engagement with FED managers and the clients throughout the evaluation enabled emerging findings to inform and improve recommendations. A gender-responsive lens focused on norms influencing women's inclusion as entrepreneurs and employees.

¹ Reminders were sent to non-responders.

² See the inception report in annex 4 for a description of the two cohorts.

1.4 LIMITATIONS

A key limitation was the ability to assess FED's influence amidst the severe impacts of COVID-19 and the financial crisis on client businesses and the broader economy. This analysis requires a strong 'sensemaking' frame to understand clients' perspectives on FED's contributions to their resilience, and what outcomes they felt would have occurred without the pandemic and in a more stable economic situation.

Given the broad extent of the plans even before the crises, the timeframe for intended outputs to produce outcomes was unrealistic and thus, in the view of the Evaluation Team, problematic to evaluate against. The evaluation approached this formatively by engaging staff to emphasise lessons for enhancing short-term service initiatives when faced with a constrained operating context.

The case studies were largely based on available FED monitoring data. This was found to be uneven due to the diversity of clients and also the self-reporting procedures used. As such, the cases were not strictly comparable.

The data collection has relied heavily on the views of clients and FED staff, as well as data collected by the FED team. This has been inevitable given that they are those best informed about the project, its implementation, and outcomes. Initial plans to interview a broader range of outside stakeholders needed to be scaled back as several of those contacted had little knowledge of the project (due to having had, at most, limited contact with FED on a specific activity) and declined to be interviewed. Even those outside stakeholders who were interviewed had limited perspectives on the work of FED.

Much of the data collected has inevitably been subject to a significant degree of confirmation bias by informants with an interest in the outcome of the evaluation. This has been somewhat overcome by both triangulation and also the use of methods that were designed to stimulate critical reflection on outcomes, assumptions and the factors that influence them. The Evaluation Team was struck by the openness and frankness of both clients and FED staff in their responses during the interviews, including aspects where the project has been weak.

Acknowledging these constraints, the analysis aimed to emphasise feasible recommendations adhering to FED and Swedish development cooperation principles, while recognising realities of business support programmes in Zambia's challenging context.

2 The Evaluated Intervention

2.1 OVERVIEW OF FED

FED was initiated in 2020, just before the COVID-19 pandemic began to severely impact Zambia's agricultural sector and overall economy. The effects of the pandemic and Zambia's subsequent debt default and economic crisis have lingered, created further obstacles for food processors.

FED was designed to address obstacles faced by food processors such as limited formal market access and certification, poor market knowledge, and inadequate access to finance for capital investments. While not a comprehensive finance solution, FED aimed to moderately³ improve client access to needed investments through the provision of in-kind grants and where possible linking clients with loan providers. Tackling restrictive gender norms facing largely women-owned processors was also an objective.

Outcome one of the project focuses on the provision of customised technical assistance – mainly enabling SMEs to upgrade hygiene standards in their production facilities and attain Zambia Bureau of Standards (ZABS) compliance.

Outcome two aims to improve the position of women in the workplace, and is pursued through a combination of advocacy, training, and supporting the formation of a ‘Women in Agro Processing Association’.

Outcome three, seeks to enhance the way that SMEs are valued as entities that can contribute to economic development in Zambia. TechnoServe (the firm implementing the project) has signed three memorandums of understanding with public institutions; the Zambia Development Agency (ZDA), ZABS and the Zambia Cooperative Federation (ZCF). These memorandums of understanding aim to support trade visits, develop relevant standards for food processors and provide a list of cooperatives that FED clients could possibly join.

Despite the breadth of this support, major factors like infrastructure gaps and reliable supply of raw commodities remain beyond FED's scope, even though they critically hinder processor profitability. FED's recognition of this – and the fact that expected revenue increases under economic conditions were unrealistic – resulted in a revision of the ToC in mid-2023. The new ToC placed greater emphasis on initial food safety “quick wins”, while acknowledging that more substantial changes required longer timelines. It was recognised that making the investments necessary to attain higher processing standards would likely even initially reduce profitability due to the need to recover investments. Revised targets reflect adjusted expectations, especially regarding the project's aim for lasting impact on women, youth and other disadvantaged processor owners and employees. In the inception phase of the evaluation, the Evaluation Team identified four ambitious aspects of the project that impinge on the project's underlying assumptions:

- National coverage including isolated areas
- Short timeframes for clients to absorb and apply learning and restructure businesses

³ As will be described in the course of the report, FED was designed to provide investments that would alleviate some of the production constraints, but was not intended as a comprehensive investment programme.

- Expectations of a high intensity of advisory services per client
- Assumptions of availability of complementary services (financing, infrastructure, etc.) to enable clients to invest and apply learning

2.2 CONTEXT

Zambia's agricultural sector is identified as key for achieving medium- and long-term macroeconomic stability and diversified growth. For a decade until 2014, consolidated agro-commercial approaches yielded 7% average annual gross domestic product growth⁴, enabling Zambia to gain Lower Middle-Income status. However, declining copper prices, droughts causing energy shortages, and eventually COVID-19 negatively impacted growth from 2015.

While most Zambians depend on agriculture for livelihoods, growth has not been inclusive, with agriculture's gross domestic product share dropping from 13.2% to 2.7% from 2006-2019.⁵ Agricultural value-added per worker also declined amid falling revenues and debt obligations that were claiming over a third of the national budget. Overall, ambitious long-term visions have faltered in translating to broad-based, resilient gains. Sector-specific challenges like low public investment due to revenue shortfalls compound economy-wide shocks to undermine agricultural development and progress toward prosperity.

2.2.1 Key challenges facing agro-processors

Despite the critical position which the agro-processing SMEs occupy in the country in contributing to the national economic development agenda, this sub-sector continues to face considerable inhibiting factors including high interest rates; lack of collateral to enable entrepreneurs borrow and expand their businesses; poor access to technology; weak entrepreneurial culture; weak collaboration among indigenous businesses; and, insufficient information on the characterisation and performance of food processing SMEs across the country. These have resulted in the underperformance of the food processing sub-sector, making it difficult to reach its full potential.

2.2.2 Policy Framework

The Zambian government has established a supportive policy and institutional framework to promote a robust food processing industry and address sector challenges. National development plans place high priority on agricultural value addition through functional food chains to achieve the national Vision 2030 of a prosperous middle-income country.

The Seventh National Development Plan (2017-2021) emphasised agro-processing, SME participation across food chains, and establishing agro-parks to convert commodities into value-added products. The Second National Agricultural Policy (2016) promoted private agro-processing and marketing investment. The National Agriculture Investment Plan (2014-2018) had food processing as a priority area. To accelerate SME development, including food processing, the government created the Ministry of Small and Medium Enterprise Development in 2021. It promotes cooperatives and SMEs for job and wealth creation through entities like the Citizen Economic Empowerment Commission, which provides financing – including to some FED clients.

Overall, Zambia has recognised the strategic importance of food processing for agricultural and wider economic goals through its planning processes. Translating this prioritisation into

⁴ World Bank <https://www.worldbank.org/en/country/zambia/overview>

⁵ Government of the Republic of Zambia - GRZ, 2021

reality depends on implementation capacity across institutional frameworks with aligned mandates and leveraging private sector partnerships. Sustained political commitment and public investment are also essential to develop the sector.

2.2.3 Contribution and Characterisation of Agro-food Processing SMEs

Agro-processing accounts for 84% of Zambia's manufacturing output,⁶ mostly food processing. SMEs comprise 97% of all businesses,⁷ with micro and small food processors together representing 59% by number and presumably an even larger share by employment.⁸ Most target domestic markets, though export share is significant – estimated to be worth around \$60.8 million in 2020.⁹

Formal agricultural extension services are primarily directed towards producers (rather than processors). Zambia also has a long history of cooperatives supporting technical assistance and marketing for farmers. There is comparatively less support to processors aiming to expand markets, meet shifts in demand, and raise profitability and employment. Support that is available falls into three categories:

- Project-based training like business digitalization
- Large investment facilitation via the Zambia Development Agency
- Technical support tied to credit facilities

2.2.4 Overview of poverty levels

Despite Zambia's past decade of strong economic growth and longstanding poverty interventions, high poverty levels persist, especially in rural areas. Rural poverty rose from 73.6% to 76.7% from 2010 to 2015, while gradually declining urban poverty only fell slightly to 23.4% by 2015.¹⁰ Slight gender poverty gaps also remain.

Climate change further entrenches hardship. Drought and flood costs reached \$610 million from 1982-2016.¹¹ Agriculture losses to climate change are projected to be between \$2.2-\$3.1 billion over 10-20 years.¹² As the rural poor heavily rely on sustainable environmental management for livelihoods, increasingly shorter rainy seasons, frequent droughts, hotter temperatures and worse floods augment the vulnerability of rural groups and exacerbate poverty.

Overall, the pattern of uneven poverty reduction reveals the limits of past efforts to improve human welfare at a national level and across all wealth groups.

2.2.5 Impact of agro-processing on poverty

The Zambian government has long adopted a value chain approach to agricultural development encompassing production, marketing and processing stages in its planning. Increasing realisation of the critical role of food processing for value addition, jobs and household income security has led to growing policy support. This strategy has yielded some results – total value

⁶ Zambia Competitiveness Survey (2018)

⁷ Ibid.

⁸ Ibid.

⁹ <https://oec.world/en/profile/country/zmb>

¹⁰ World Bank, 2020, <https://www.worldbank.org/en/country/zambia/overview>; Government of Republic of Zambia, Ministry of National Development Planning, 2020

¹¹ Ministry of National Development Planning, The Voluntary National Review Report of Zambia 2023

¹² Ibid.

chain growth exceeded 10% of GDP from 2007-2019.¹³ Food energy supply and nutrition have also improved over the past decade. SMEs, including food processing, already account for 70% of GDP and 88% of employment. Over 30% of SMEs have female owners, although their ownership is predominantly of the smallest enterprises.¹⁴

2.2.6 Gender Gaps/Inequalities

FED project documents highlight gender gaps/inequalities in the sector with respect to the type of business, employment opportunities and gender-differentiated impacts of changes in the business environment. Female-owned businesses compared to those owned by males are further characterised as: being largely rural based; focussed on nutritional food products such as maize, rice and soya; using basic equipment such as hammer mills and hand-operated ram and screw presses for oils; and lower levels of profitability than male-owned enterprises.

Women are frequently employed in lower paid, lower skilled and casual (short-term) positions compared to their male counterparts. Women commonly take up job functions such as seasonal grading, labelling, packaging, administration responsibilities and marketing, while supervisory positions are usually occupied by men. Gender gaps are further compounded by the fact that roles such as quality assurance and food technology require tertiary education. Additionally, there is a perception that working with machinery and some other aspects of agro-processing, such as butchery, are ‘men’s work’.

2.2.7 Differentiated Impacts of COVID-19 and other shocks

FED’s COVID-19 survey (2020) revealed that the pandemic had differential impacts on female and male enterprises. Female-owned businesses faced significantly higher challenges than male-owned businesses. This is attributed to the fact that among the gender roles ascribed to women is that of care giving for the family which includes children and elderly relatives, and COVID-19 increased the care burden for women particularly when children could not go to school.

The COVID-19 induced economic downturn resulted in lower business profitability, which forced redundancies. Those working in lower-paid, labour-intensive, and seasonal jobs – usually women and youth – were usually the first to be made redundant.

Finally, it should be noted that the evaluation was undertaken in the midst of a severe cholera epidemic in Zambia (and across many parts of Southern Africa). Although FED did not have interventions designed in direct response to the epidemic, it provided a timely reminder of the importance of hygiene within agro-food systems in protecting human health.

¹³ FAOSTAT, 2021 <https://www.fao.org/faostat/en>

¹⁴ Zambia Competitiveness Survey, undated (<https://www.zda.org.zm/wp-content/uploads/2020/10/Zambia-Competitiveness-Survey.pdf>)

3 Findings: Relevance

3.1 RESPONSIVENESS TO CLIENTS

EQ1: To what extent have the project objectives and design responded to beneficiaries', partner needs, and priorities, and have they continued to do so if/when circumstances have changed?

Summary finding: FED has ensured relevance by listening to its clients and learning from their experience while adapting support to emerging lessons.

3.1.1 Finding 1: A strong emphasis on initial diagnostics and needs assessments to inform support plans has contributed to a high level of relevance.

All of the 34 clients who responded to the e-survey 'agreed' or 'strongly agreed' with the statement 'the services received and interactions I have had with the project were/are relevant to my needs'. Survey results also overwhelmingly indicate that FED's customised technical assistance (CTA) met their needs, especially regarding standard operating procedures (SOPs), attainment of certification, and improving accounting practices and branding. This suggests that, across the broad range of micro-, small- and medium-scale enterprises served, the technical assistance has been sufficiently 'customised' to meet their needs. Overall, the Evaluation Team did not encounter significant variations in these levels of satisfaction, though there was a tendency for the smaller and women-led enterprises to indicate greater appreciation of the general business advice. This may relate to the challenges they face in utilising specialised advice related to certification and/or their need for basic business skills that larger enterprises already possess.

Clients frequently referred to progress in these areas as being related to collegial relations with frequent visits and online contacts by FED staff who ask questions and listen as clients describe their businesses. Some interviewees highlighted how this was a unique aspect of FED seldom achieved by other agencies. For example, as one beneficiary stated: "...initially we were not interested but after understanding the services available were free and meant to help us an agreement was signed", and multiple beneficiaries highlighted participating in initial discussions that informed project design and services.

Clients reported positively on the diagnostic process employed by FED as the entry point for these relationships. FED staff are also proud of the quality of the diagnostic tools, and see this mechanism as the main basis for ensuring relevant support. The combination of training, mentorship, financial assistance, access to markets and certification directly addresses key gaps and priorities expressed by beneficiaries around skills, access to finance, entering new markets and obtaining necessary certifications. One interviewee reported: "FED provided the training/education to build our skills which is longer lasting, teaches us how to take care of our business". Another stated: "Registration with ZABS helps you to access larger markets like Shoprite and without it you cannot trade with them."

FED was successful in establishing collaborative partnerships with key government agencies and industry groups like the ZDA, Zambia Compulsory Standards Agency (ZCSA) and ZABS to leverage their expertise. Interviews with FED staff and those of agencies such as ZBS and the Zambia Cooperatives Federation indicate that training on food safety were highly relevant and well delivered. Indeed, a ZDA representative highlighted their role in strengthening beneficiaries' business capacities through joint training initiatives: "We engage with

TechnoServe in agribusiness. Provide capacity building for the clients so they understand that it is a business that will improve their lives”.

3.1.2 Finding 2: Clients recognise services as highly relevant, including timely training and guidance around SOP development, food quality/certification processes and some aspects of business management indicating a strong alignment with skill gaps.

SOPs prepared after initial diagnostic sessions between FED staff and clients were reported as being developed in a participatory way to ensure that they were aligned with their needs and capacities. Rather than using a generic form, advice was customised to clients’ needs and circumstances, and were therefore judged to be particularly relevant and applicable by the diverse range of clients. This is notable in that the ‘standards’ (in standard operating procedures) have actually been adapted to different clients’ needs and capacities. Some mentioned that these were challenging, but there was a widespread view that they were not insurmountable.

Several clients, however, expressed disappointment that FED was hesitant to assist with actual brokering of market relations/contracts and only financed purchase of raw materials in specific pressing situations. As will be described below, these genuine needs are outside the scope of the FED project, but the extent to which clients expected that the project would assist in these areas indicates a lack of clarity in communicating the nature of the intervention and support available.

3.1.3 Finding 3: The project demonstrated a reasonable ability to adapt to the changing context, although there were limits to what was possible.

The evaluation found that the project was managed in such a way that it was able to respond to changes in context – the reaction to the COVID-19 pandemic being a key indicator of this. When the pandemic struck, hygiene became a primary concern, and FED prioritised enabling clients to comply with COVID-19 and other hygiene and sanitation requirements. Similar efforts were made later in relation to an anthrax outbreak among relevant firms. Restrictions placed on face-to-face contact during the pandemic were mitigated by a rapid pivot to the use of IT for remote meetings. The project also tried to address liquidity constraints by, on occasion, purchasing raw materials.¹⁵ As one interviewee stated: “FED embraced the digital technology so that their services were not interrupted. FED has also provided financial support to help us mitigating challenges we faced as small business”.¹⁶ Others received cash “de-risking grants” to help them overcome the effects of the pandemic.

Another sign of adaptation is seen in the project’s willingness to adapt its theory of change and ambitions with regard to climate once the realities of delivering the project against its original plans became apparent. As mentioned in section 2.1, revisions were made to the theory of change and timing of interventions in mid-2023. One staff member stated: “When we began implementation, we saw it would have challenges... The timeframe was different (and) micro-enterprises may need much more technical assistance”. Initial plans to incorporate more environmental assessments and climate-related activities were scaled back.

However, the project was not able to accommodate all clients’ needs, nor was this intended or feasible given the scope and resources. The evaluation found that some beneficiaries (e.g., a dairy cooperative and a juice producer) were hoping for extended or additional coaching and

¹⁵ It should be noted however, that this was not always executed efficiently – as in the case of baobab pod purchase.

¹⁶ In this case, a grant towards the purchase of raw materials to help them overcome constraints arising from the impacts of COVID 19.

advisory support, additional equipment and finance for raw materials in order to consolidate gains and work towards sustainability, but resources were not sufficient to provide this level of investment and FED needed to give priority to new clients. The capacity of FED staff, in terms of time and specific technical knowledge, to provide tailored advice to a very diverse range of clients was also strained. Some clients with very specific technical needs were informed by FED that they could not be assisted in these areas. Factors such as these point to a potential underestimation of the effort required to enable clients to fully comprehend, mobilise finance and apply new approaches and skills.

4 Findings: Effectiveness

4.1 CONTRIBUTIONS TOWARDS OBJECTIVES

EQ2: To what extent are the interventions contributing to the project's three specific objectives? What are the reasons for the achievement or non-achievement of objectives and what lessons can be learned from these?

Objective 1: Sustainable improvements in productivity and profitability

Summary finding: FED support has been quite effective, but it is not a panacea in a challenging environment. External factors have had a greater impact on levels of productivity and profitability than FED support.

Analyses of a range of FED clients demonstrate how the ultimate performance of these businesses reflects factors outside the FED sphere of influence. FED support can provide a basis for increasing business performance in cases where product quality and compliance with certification standards are the main constraining factors. Nonetheless, where companies lack general access to markets and lack broad knowledge about how to overcome market barriers, FED is not a panacea. FED helps clients to overcome some market barriers, but it has an insufficient timeframe, breadth of services and specific technical capacities to help companies with some structural constraints to reach new and more profitable markets. In some instances, clients were not confident enough in the relevance of the support or in their own capacities to implement advice provided by FED. Some examples include:

- Moringa¹⁷ is a specialised product with a narrow and demanding market. FED provided support to a moringa processor with procedures for food safety and marketing, but difficulties reaching markets and maintaining quality standards remain and the prospects for the company are uncertain.
- Support to a tea packaging company led to greatly increased production, but due to lack of access to profitable markets, revenues did not increase.
- Similarly, support to two cashew processors enabled them to greatly increase their production, with minimal increase in profits.

These limits to a viable scope and sphere of influence for FED indicate several key lessons for future programming, discussed in chapter eight below.

4.1.1 Finding 4: Specialised training on food safety, standards and standard operating procedures contributed to regulatory compliance and certification. However, these preconditions are not a guarantee for accessing new markets.

A common theme when clients were asked about the value of FED support is that the project provided critical training, guidance and assistance relating to recognised important aspects of running a food processing business. Specifically, many respondents highlighted receiving valuable help developing SOPs and implementing food safety/quality control processes. For example, one stated that “The project has enabled us to develop various Standard Operating

¹⁷ A product from a tree of South and Southeast Asian origin used in herbal medicine.

Procedures and policies to streamline our systems, processes and procedures which we never had before,” and “The SOP support from the FED program have been phenomenal. They have really helped us to strengthen our operational capacities and oversights of processing documentation”. Relatedly, multiple respondents pointed to training in good manufacturing practices: “We were guided/trained in good manufacturing practices and standard operating procedures that we so much needed”. In the first cohort, the most common improved practices cited were improvements in marketing/distribution, processing technologies and quality control technologies, all of which are reflected in the SOPs and good manufacturing practices.

Clients also mentioned benefiting from business management training, especially relating to areas like marketing, distribution, financial planning, input forecasting and costing. As one respondent put it, “We have learnt how to determine our break-even point of our business to make sure we price and manage our cost to keep us running on the market”. Similarly, another stated, “The business aspect helped with financial management and marketing management”. In interviews, some acknowledged though that their leverage in setting prices was limited.

Several respondents also highlighted that the project assistance with regulatory issues was useful. For example, “We have been certified by the relevant authorities due to our association with the programme”. FED also seems to have led to a shift in clients’ perceptions of regulatory bodies. As one informant told the Evaluation Team: “SMEs see these service providers as policing them: they do not trust the regulators”. The project worked with regulatory bodies and SMEs to develop the latter’s understanding of regulations and how these bodies work. Statements from interviewees point to regulators now advising businesses instead of just enforcing rules, while businesses better understand compliance requirements. One client had been able to double their sales to Shoprite (a large supermarket chain) after achieving the necessary compliance standards.

Some clients had yet to apply their new knowledge and improved facilities to increase their production. This was sometimes due to lack of resources to make other complementary investments, including purchase of raw materials or additional machinery necessary to make use of the support from FED. In other instances, they had not been able to expand their market access due to limited understanding of markets and sometimes they were still not able to produce in sufficient bulk quantities to meet the demands of supermarkets. The latter factor varies across different products, but for many producers a major leap is required to begin to compete in large formal markets. FED staff acknowledge that, despite some notable ‘success stories’ a significant proportion of their clients are unlikely to make these leaps. The nature of their markets means that their firms will only be able to scale up their production to sell to large retailers if they receive major outside investment. Certification and increased knowledge are thus preconditions but certainly not a guarantee for accessing these large formal markets.

Some smaller and micro-enterprise clients described how they were concentrating efforts on reaching small outlets in high density urban communities, thereby reaching the ‘bottom of the pyramid’ by focusing on poor neighbourhoods and changing their packaging to sell in smaller quantities for customers who cannot afford to buy quantities for more than a day’s consumption at a time or who lack refrigerators. Examples such as these highlight how clients were using FED advice in innovative ways that reflect their structural deficiencies to compete in what may be assumed to be more ‘profitable’ markets.

Results appear inconclusive regarding ultimate access to new markets. Most interviewees were looking forward to accessing new markets and some had diversified their production to reach these markets. Clients commonly described how they were now more aware of the reasons why certification was important, and were taking steps to improve their packaging and branding to make their products more attractive. However, there were various examples of where these intentions had yet to be realised. Few have actually signed contracts with large retailers. Some

had concluded that this was an unrealistic objective when they were competing with much larger businesses.

4.1.2 Finding 5: Investments in equipment (and sometimes other assets) helped production capacity for clients – but grant size limitations often constrained the capital investments needed to accelerate and optimize growth.

In-kind provision of assets has yielded mixed results. Interviewees were generally positive about the type of equipment and infrastructural investments provided, but the impact on their productivity and profitability was often limited. Many interviewees described (in various ways) how the capital amounts were insufficient to purchase the equipment needed or to bring a premises up to ‘standard’ e.g., access to hot water at all the time, particular flooring types, etc. The machinery provided was generally appreciated, but was frequently described as insufficient to address all the different stages in the production process. Machinery provided may address one aspect of the production process while revealing bottlenecks in other stages or in access to raw materials.

There were at least two instances of the wrong equipment being supplied. Most were satisfied with the timeliness of delivery, but there were a few complaints. In some cases, FED assisted clients to access finance from third parties, notably the Constituency Development Fund and the Citizens Economic Empowerment Commission (CEEC). One client told the Evaluation Team: “FED also provided a bigger platform for influence. The Financial Dept of FED also helped us apply for funds from CEEC and were successful”.

4.1.3 Finding 6: Increased revenues and profits are reported by some, especially women-owned firms/cooperatives – but most clients are struggling to grow due to economic volatility, lack of capital, and uneven access to raw materials.

When comparing the enterprises from the first cohort, 60% of the companies in the case studies show positive production trends whereas 40% of the companies have either produced less or are unable to produce consistently. This appears to be due to struggles with cashflow, supply of raw materials and other factors related to the vulnerability of small enterprises. Out of the 60% that show production growth, not all have been able to turn this production volume into revenue and in some cases, the ‘positive trend’ may not mean economic growth, as illustrated by figure 1 below.

Figure 1: Revenue trends

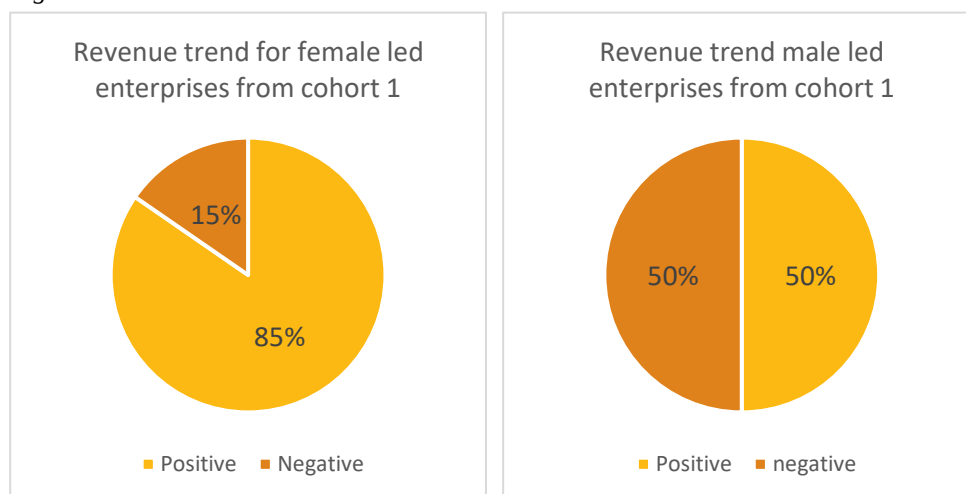
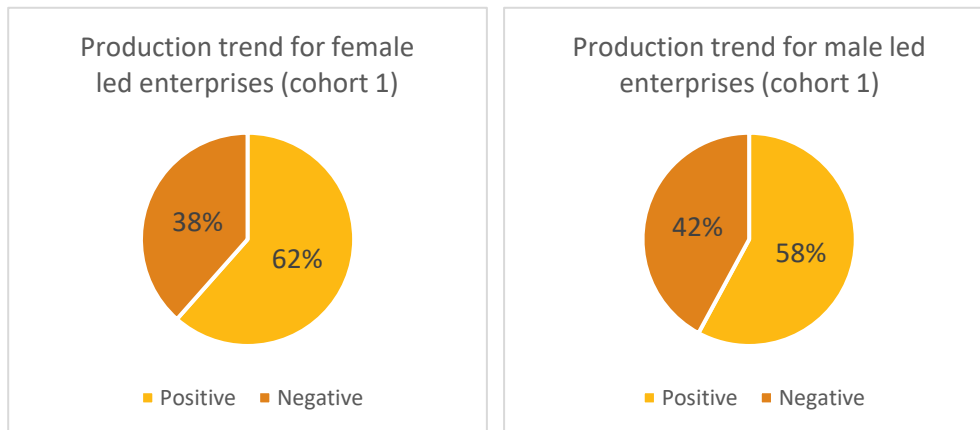


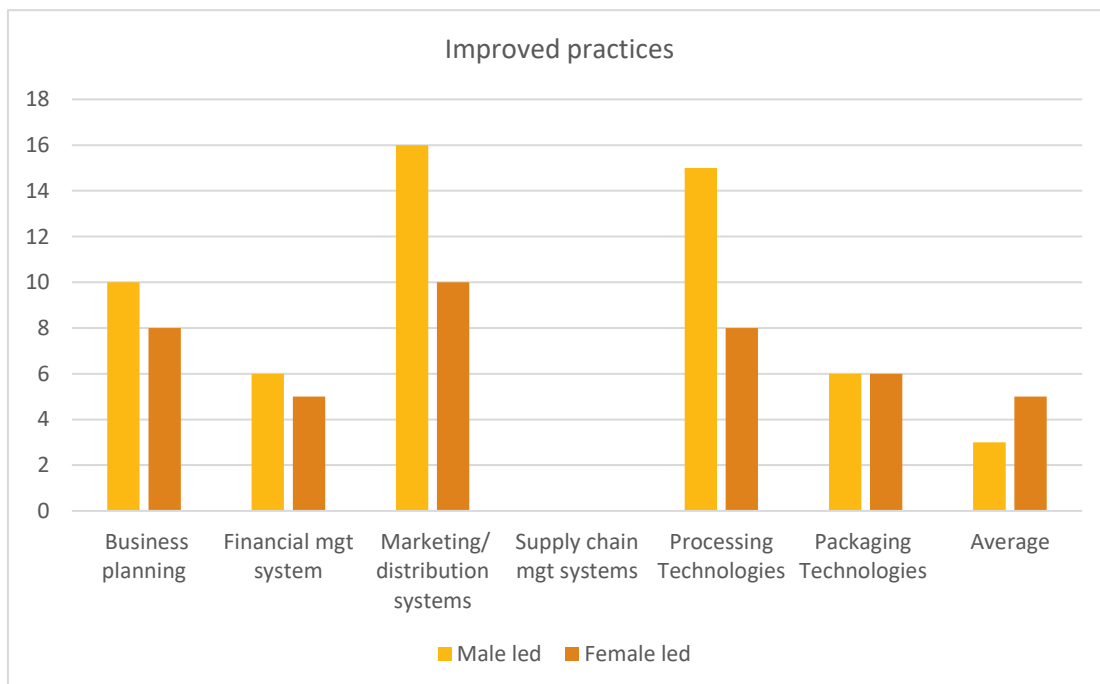
Figure 2: Production trends



Although male- and female-led enterprises show similar production patterns, 85% of the female-led enterprises analysed in the business review experienced increased revenue, compared to 50% of male-led enterprises. One reason for this could be that the female-led enterprises may have also enjoyed access to financing. Among the enterprises that received support, eleven out of fifteen were female, and it is not known what additional training or other benefits these companies obtained.

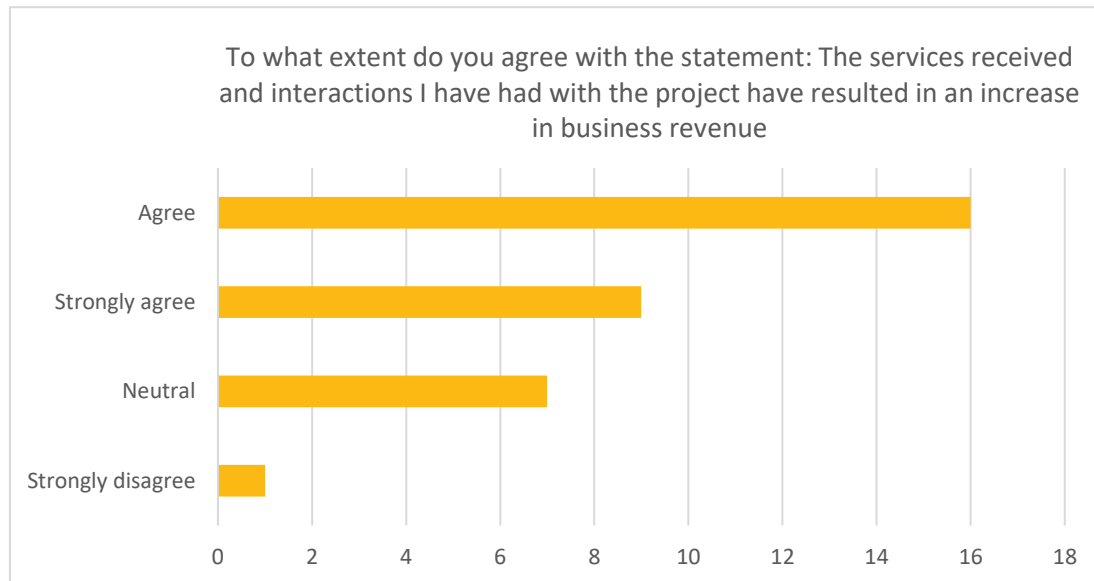
As described in figure 3 below, the business analyses undertaken by the Evaluation Team indicate that the female-led enterprises have on average adopted improved production practices to a larger extent than male-led enterprises (five compared to three for adopted practices by male-led enterprises). Hence, it is plausible that these improved practices also generated better outcomes for these businesses.

Figure 3: Improved practices



Despite these challenges, and FED monitoring data indicating limited revenue increases, clients responding to the online survey are generally positive about the outcomes of FED support on their business revenues, as indicated in figure 4. This may reflect a degree of confirmation bias.

Figure 4: Increase in business revenue



An overarching theme across responses is that multiple negative economic factors have strained beneficiaries' operations and bottom lines. The most commonly cited challenges are rising input and recurrent costs from fuel, raw materials, electricity and packaging, driven by high inflation and exchange rate depreciation. This is squeezing margins as beneficiaries struggle to pass increased production expenses to price-sensitive customers. Diminished consumer purchasing power has had ripple effects in dampened market demand, as broader economic uncertainty and the high cost of living lead customers to reduce or alter spending. One respondent noted how "reduced disposable income by the end consumers of our products" has hit revenues. Similarly, several responses highlighted the difficulty of competing with larger players who can absorb thin margins, influence policy, and withstand downturns with more resilience.

Due to factors such as these, clients report mixed results regarding increased profitability and revenues. Almost all were optimistic that their firms would eventually generate greater profits though. Some needed to make complementary investments. Others felt it would take more time. As noted above, FED advice on costing was seen as quite useful for analysing profit margins and adapting sales strategies, but others felt powerless to adapt their sales prices to squeezed markets.

One of the most common obstacles to increased production and profitability was the lack of access to financial services for purchasing raw materials. Many of the enterprises visited were at a standstill, despite new investments in their facilities, due to lack of raw materials. This was partly due to lack of capital, but also related to seasonal factors and poor planning. FED's advice on input forecasting was much appreciated, but many firms were clearly still struggling to mobilise the capital needed to ensure a stable supply of raw materials. From the first cohort, eleven firms (out of 33) reported accessing additional sources of financing from other agencies beyond FED. Seven of these were women-led firms.

4.1.4 Finding 7: More widespread certification and more constructive relations with certification authorities has 'set the stage' for accessing more profitable markets.

An underlying assumption behind much of FED's work, though somewhat implicit in the ToC, is that certification is a key to entering and profiting from larger formal markets, possibly including eventual export markets. Outside stakeholders clearly see this as the main niche of

FED. Results indicate that, with FED support, most small and medium (but very few micro) clients are at various stages in becoming certified, but that it is too early to judge whether the expected increased access to new markets (and subsequent profits) will materialise. There are anecdotal success stories, but also examples of frustration. It should also be noted that FED recognises that certification and accessing large formal markets are not relevant objectives for all their clients. Micro-enterprises are generally not assumed to benefit from these trajectories.

An important factor in the work with certification is that FED is playing a unique role in generating a more constructive relationship between firms and regulatory agencies. In the past there has reported to have been considerable hostility between the agencies responsible for compliance and firms that were unaware of why and how to follow these norms. One informant described this as “the health department just shut businesses and left”. FED has stepped in, through both advice and a sector-wide training exercise, to increase awareness about these ‘why’ and ‘how’ questions about certification. This has been appreciated by both clients and regulatory agencies, and even by other organisations involved in agro-business development who were aware of the past tensions between firms and enforcement agencies.

4.1.5 Finding 8: Food security related to access to nutritious foods has been recognised and enhanced, though the contribution of FED is implicit.

Though not an explicit objective of FED, in interviews most clients expressed awareness and pride regarding the impacts their companies were having on the nutrition and health of the consumers of their products. This was associated with:

- Increasing the quality of their products that they see as superior to mass produced goods
- Increasing accessibility of their products by the customers at the ‘bottom of the pyramid’ due to availability in local shops, relevant (smaller) packaging and providing an alternative to non-nutritious foods
- Awareness of the nutritional benefits of the foodstuffs produced

FED staff are aware of this factor and report seeking out clients that could contribute to nutrition through their products. This is judged by the Evaluation Team to be an important unintended outcome of the programme.

Objective 2: Improved performance of women-led or owned enterprises

Summary finding: *FED’s strongest results related to women-led or owned enterprises is in increasing confidence and skills.*

4.1.6 Finding 9: FED has succeeded in targeting women-led and owned enterprises, with some preliminary evidence of improvements in performance.

Women make up 45% of programme beneficiaries. This is close to the 50% target (which is expected to be reached in 2024). There are good examples of individual women's empowerment through training. It should be noted that FED has both targeted female-led enterprises, while gender-related efforts among male-led enterprises have been more focused on awareness.

Interviews with women-led firms and cooperatives indicate generally similar reported benefits to male-led firms. Some women leaders reported the particular importance of learning about good business practices such as costing and forecasting, indicating relative isolation from business advice in the past.

Overall, the female-led enterprises have adopted more of the improved practices targeted by FED (planning, marketing, finances, processing, packaging, and supply chain development).

From cohort one, the female-firms show stronger production trends than male-led firms, but this may also be due to factors such as differing access to external funding from other projects, and hence cannot be directly linked to FED support.

4.1.7 Finding 10: Capital, infrastructural and market access limitations in moving beyond home-based production hinder growth potential, particularly for some women-led firms.

FED has in several cases provided a basis for moving production out of home kitchens, which is an essential first step in formalising the generally informal micro-enterprises that tend to mainly be owned by women. This is also a first step towards certification.

However, it is widely recognised among both the FED staff and clients that formalisation and certification constitute a major leap. Even though these entrepreneurs are highly motivated and provided testimonials to the benefits deriving from FED support, there were few signs that many were making the ‘leap’ to certification and larger markets. Individual success stories aside, for many the obstacles are obviously insurmountable.

Nonetheless, interviews indicate that women-led cooperatives have benefited considerably from FED support as many lacked basic business management knowledge. The support thus corresponds to a significant gap. Interviews indicate that this increasing awareness and knowledge have led to reinforced entrepreneurial zeal and self-confidence.

Objective 3: Market system service providers have improved capacity to support SMEs

Summary finding: FED works well within its niche in the system and FED has provided a platform for some broader systematic reflection in the sector.

4.1.8 Finding 11: FED fills a clear and valuable niche, but sustainable systemic impacts are uncertain due to FED’s unique role and competencies.

FED plays a unique and important role in providing services for a range of agro-processing enterprises in relation to food safety, hygiene and knowledge about how and why to pursue certification. Clients are assisted to put this knowledge into practice by needed investments. The value of this package of support is recognised by clients, regulatory agencies and other actors interviewed.

This is complemented by important support related to business management skills, marketing and other aspects of strengthening client enterprises’ roles in food system markets, with an emphasis on women’s empowerment. These service roles are not as unique as those related to food safety and certification, but the need for general business development advice and training is far greater than the supply, and clients clearly perceive that these are important and well-integrated components of the package of support they receive.

The main caveat to this, noted by all actors, is that there are major components of the market system that are beyond the scope and capacity of a small project, implemented by a consultancy firm, to address. Foremost of these is finance, primarily for purchase of raw materials. The Evaluation Team recognises that these deficiencies in the system limit the effectiveness of FED’s services.

Furthermore, these financial factors compound other challenges that small firms face in competing in markets where economies of scale favour large firms. Box 1 below describes a sub-sector where FED’s own value chain analysis suggests that its clients’ own profitability is doubtful.

The evaluation team notes that the uniqueness of most of FED services indicates that there is no clear exit strategy for FED, although the regulatory agencies are willing to consider taking on some aspects of these services in the future.

Box 1: FED Support to sunflower processing

Edible oils, including sunflower oil, are an important part of the Zambian food system, but production remains low and FED's value chain analysis found that processing remains overwhelmingly dominated by nine large firms. An important by-product of sunflower oil extraction is the sunflower-cake which is a critical animal feed component (particularly in poultry and pig production). Nonetheless, FED's support to the sunflower oil processing has had little impact. Even though FED's support through the provision of equipment has more than doubled the efficiency in the production of sunflower cooking oil, this has not led to greater profits. Furthermore, the processing industry faces huge challenges in accessing sunflower seeds, suggesting that analysis of the input/production stage of the value chain was inadequate and failures may be related to farm production or logistical factors such as distance to supplier sources. Due to low sunflower production by small-scale farmers, stemming from various factors including drought conditions, the processing industry has had insufficient raw materials to sustain production.

4.1.9 Finding 12: Sector-wide training provides a good platform for discussing service roles, but at the scale and level thus far implemented these interventions may be insufficient to generate a comprehensive dialogue on the systemic issues facing agro-processing.

FED has a modest but effective tool to raise attention to broader systemic issues in the form of so-called sector-wide training. Two of these training sessions have been undertaken (three were planned, but one was cancelled due to financial limitations) as a platform for multi-stakeholder discussions on key issues. One was on certification systems and the other on issues related to vegetable aggregation¹⁸. The discussions on certification were described as particularly important for moving towards a constructive relationship between regulatory agencies tasked with enforcement and compliance, and companies that were often not aware of the reasons for these regulatory actions.

These findings highlight the utility of these activities, but the evaluation notes that this is a small component of FED and that impact on the market service system and related policy discussions would require more ambitious efforts. The Evaluation Team also notes that labelling these activities as "training" is somewhat of a misnomer given their role in bringing together stakeholders for important discussions on agro-processing policies and practice.

¹⁸ Aggregation consists of the process of collecting, inspecting and grading vegetables before selling and delivering the produce to retailers.

4.2 MONITORING AND EVALUATION

EQ3: Has the monitoring and evaluation (M&E) system delivered robust and useful information that could be used to assess progress towards outcomes and contribute to learning?

Summary finding: FED's M&E has been found largely credible, is useful, and is used, but lacks scope to consider longer-term outcomes.

Box 2: Overview of the FED M&E system

Data Collection

Quantitative data is collected routinely by field staff. Data on indicators such as revenues, jobs created, new markets accessed, etc. is collected directly from the clients and then disaggregated by gender, age, and processor. Field staff enter data into a cloud-based application, which serves as the main data collection tool. Qualitative data is collected through interviews, focus groups, and observations. Accuracy of data is verified by senior project staff who conduct periodic reviews of the records, as well as undertaking interviews with some of the clients.

Reporting

Internally, the Business Advisors and field staff produce monthly qualitative status reports on their interactions with clients providing context for quantitative data. The M&E Manager synthesizes the quantitative data collected into quarterly Progress Status Reports and also puts together annual reports that incorporate both quantitative metrics and qualitative information. These reports are reviewed by the FED Country Director before submission to TechnoServe headquarters and Sida. In addition to progress reporting, annual reports also include a full narrative report and a financial report.

Management Information System

FED utilises Google AppSheet for mobile data collection by field staff and cloud-based storage of the quantitative data informing key indicators. Google Sheets is used for analysis and visualization of data.

Feedback Mechanisms

Internally, monthly review meetings attended by all project staff provide an opportunity to discuss the status of all activities and elicit suggestions for improvement. Externally, annual Advisory Committee meetings allow for guidance from Sida and TechnoServe leadership based on their review of progress and challenges encountered.

Outcome and Impact Reporting

Annual in-depth assessments are conducted on a selected subset of participating enterprises. Combining qualitative and quantitative data, these studies focus on identifying operational or business system changes and link them to cost and revenue outcomes. Qualitative methods provide context and depth to understand these changes in management practices and technologies enabled by the project.

4.2.1 Finding 13: Regular measurement of output indicators against targets has enabled tracking of progress and course corrections.

FED staff are active in collecting and utilising M&E data from clients. There is strong ownership within the FED team of the need to analyse and utilise M&E data. They describe long discussions on the implications of the emerging data for their work. For example, analytics

identifying performance gaps between women-owned and male-owned businesses and other variables related to shifts in client firms' performance have led to tailored interventions. On a more macro level, data has, for example, supported adaptations in the FED strategy (theory of change) based on learnings.

The evaluation team has not had an opportunity to fully verify the accuracy of the data in the M&E system, but in reviewing the data some gaps and anomalies were observed. An example of this is that only twenty of thirty-four companies had continuously reported data (revenue and production volume) into the M&E system. Whereas an explanation for some gaps was provided, the majority of the gaps remained unexplained in the documentation received. Reliance on self-reported data from clients is one obvious reason for gaps, and this also presents a notable risk of positive bias. Some clients describe the self-reporting system as being new and challenging, whereas most recognised its value.

4.2.2 Finding 14: While data supports monitoring of some outcomes, such as certification levels, the three-year timeline, paired with factors such as economic volatility and seasonality indicate limits in systematically measuring long-term trends, outcomes and impacts.

The FED team recognises limitations in their M&E system that relate to the relatively short timeframe of the project. The ToC was revised in 2023 to reflect the FED team's growing awareness about the timeframe needed to achieve outcomes and the over-optimism in the initial plans and inception phase. Despite these adjustments, the expectations of "quick wins" often did not materialise. Furthermore, whilst staff describe using the data for programmatic improvements, there is no significant evidence so far of applying the findings for policy influence or advocacy purposes at a systemic level. It is noted that some policy level engagement may be forthcoming at the end of the current phase or in future programming. This appears to be beyond the project scope, timeframe and priorities, though the high level of interest in the sector-wide training can be interpreted to suggest that there is a latent demand for FED to bring its experience to bear on these broader concerns.

5 Findings: Efficiency

5.1 ECONOMIC EFFICIENCY AND TIMELY DELIVERY

EQ4: To what extent has the project delivered, or is likely to deliver, results in an economic and timely way?

Summary finding: FED operates in a largely timely manner and has applied efficient methods, but there are risks in trying to respond to demands beyond its scope.

5.1.1 Finding 15: The very ambitious geographical reach of the project, paired with deficiencies in the selection process, have resulted in inefficiencies, although the scope of training and support services provided were appreciated by clients.

The evaluation finds that the initial ambitious national scale of the project overstrained staff capacity, and logistical factors inherent in the national scope led to some inefficiency in relation to the proportion of staff time invested in travelling to reach such a broad spread of clients. FED has clients in 35 districts spread over six provinces, and the distances involved in accessing clients are huge. For example, the journey from Lusaka to Mongu District in Western Province takes over nine hours by road, with a round trip estimated to cost at least USD \$160 in fuel alone.¹⁹ The FED team acknowledged that travel expenses were a significant cost driver and travel absorbed a major proportion of their time.

In response to this, efforts were made to conduct some training virtually during the pandemic and continued afterwards. Unfortunately, the pandemic also had the effect of increasing travel costs as social distancing measures meant that fewer passengers could be accommodated in one vehicle, so additional vehicles had to be used to transport staff who, pre-pandemic, would have been able to travel together. A greater focus on fewer clients under the second cohort was seen to result in more efficient and timely delivery of services.

Client selection is important for FED's efficiency, and, while the evaluation finds that this has been managed reasonably well, the ninety-day client selection process involving client assessment, and tailored SOP development and review does have limitations. Having gone through this process, some 15 (14 percent) of the 104 selected businesses dropped out of the project, either because they were found to be "side-hustle" operations whose owners did not have the time to or the will to make the necessary investments necessary to take full advantage of the FED offer, or for some other reason. These entities had to be replaced by other more suitable businesses.

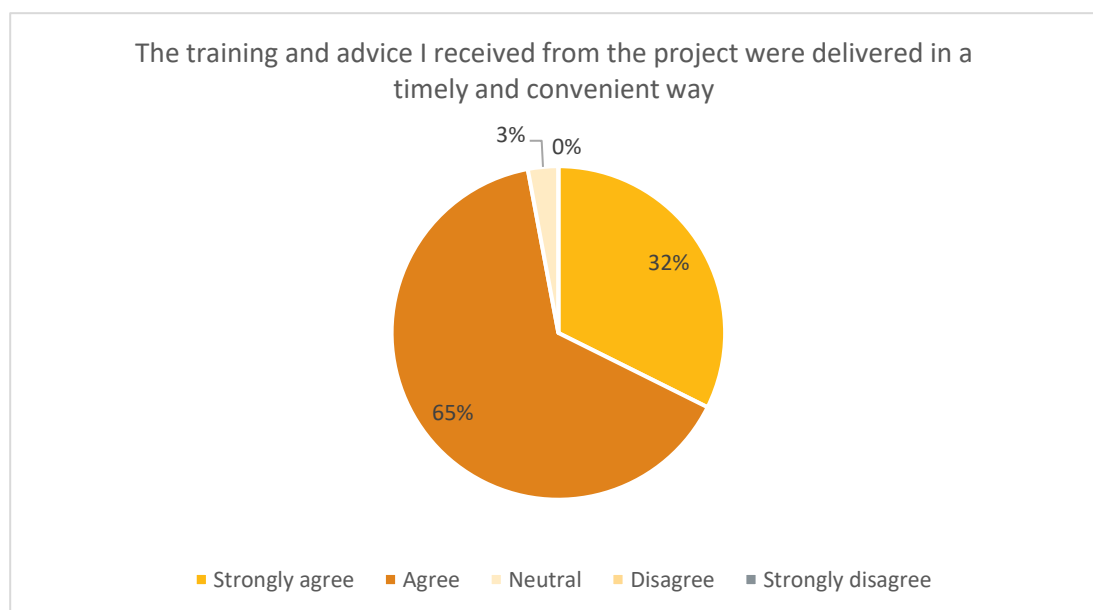
¹⁹ 589km at 10km per litre of diesel at \$1.43 per litre.

Box 3: How appropriate is FED's Enterprise Selection Criteria?

The selection of first cohort enterprises by FED was not always carefully done. A considerable proportion of these enterprises have been struggling due to several factors. Selected cooperatives and social enterprises were in some cases beset with governance issues which have negatively impacted their performance. This prompted FED to apply tighter criteria when selecting the second cohort enterprises which appear to be more promising due to a greater focus on entrepreneurs who demonstrate better business skills, commitment and passion for success. However, the second cohort enterprises still have notable challenges which constrain their performance. The challenges include limited operational capital and inappropriate infrastructure to operate from. An overwhelming majority of enterprises visited have serious challenges with operational capital. While sources of funding are well known by these entrepreneurs, they feel helpless in making any efforts to access such funding on account of the unfavourable conditionalities attached to the funding, most notably collateral requirements.

Despite considerable challenges in translating support into increased profitability, responses from businesses who responded to the e-survey indicate a high level of satisfaction with the timeliness and convenience of the training and advice they received through FED (figure 6). The predominant feedback from respondents to the e-survey and informants interviewed face-to-face was that training was relevant to their needs, was delivered in such a way that it did not interfere with their work schedules, and that it was facilitated by skilled staff. Informants also mentioned that they received sufficient notice of upcoming training sessions allowing them to make the necessary arrangements. In a small number of cases, it was reported that the remote training sessions were hampered by connectivity issues, and overall, there appears to be a general preference for training conducted in-person.

Figure 6: Client perceptions of timing and convenience of support

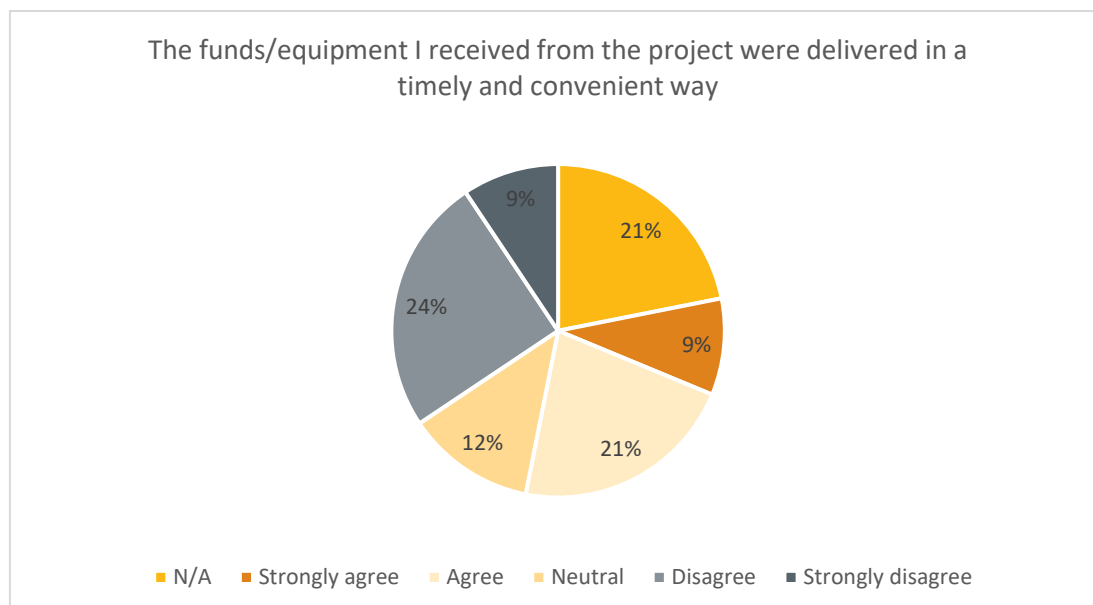


5.1.2 Finding 16: In-kind support has contributed to client performance, but the limited size was a constraint to scaling. Despite largely efficient procedures, bureaucracy and delays in procurement processes hindered timeliness of results and frustrated some clients.

At the design stage, FED correctly identified lack of access to capital to make investments in machinery (and procurement of raw materials) as a critical constraint to increasing SMEs' profitability and growth. The project chose to address this challenge through a procedure whereby the business would identify the assets or commodities required and TechnoServe would handle the procurement. While this process was sound from a financial accountability perspective, it had a number of inherent flaws.

A first issue was timeliness. A significant proportion of client's responses to questions about the timeliness of the material support agreed upon with FED indicated dissatisfaction with the length of time it takes for equipment/funds to be delivered by the project, even though agreements had been signed and procurement was said to be underway. As figure 7 shows, 35% of 34 e-survey respondents were of the opinion that delivery of funds and equipment was untimely. Indeed, the Evaluation Team surfaced anecdotal evidence of machinery which had been procured but delayed at the TechnoServe offices for several months. One client explained: "It took time, at times constant follow ups" before the support was delivered; another stated "It would help if FED could minimise the delays on purchasing of equipment so that clients can plan effectively"; and a meat processing client told the Evaluation Team "It would help if FED could minimise the delays on purchasing of equipment so that clients can plan effectively". FED recognises this deficiency, particularly when they need to rely on international procurement. Steps are being taken to streamline these processes and to better communicate with clients about delays.

Figure 7: Client perceptions of timeliness of delivery of equipment and financial support



A second factor was suitability of the items procured. The Evaluation Team heard one example of the project sourcing plastic containers with inappropriate caps for a peanut butter cooperative, and another where FED bought a consignment of baobab pods which were unsuitable for the client's needs. With both of these examples, TechnoServe recognised these as failures in their quality assurance system. Steps were taken to resolve the problems that arose and to strengthen systems going forward.

Box 4: Efficiency challenges with extended timeframes

It is arguable that even the overall time needed to transform businesses was underestimated at the start of the project. The Evaluation Team were told by an external stakeholder with experience of the sector that building viable, investment-ready small businesses requires a timeframes of 5+ years. FED staff tended to support this view, questioning whether the full set of changes envisioned could realistically occur for beneficiaries during the project's original timelines.

Interviews indicate that the timeframe (and number of capacity development sessions) required to achieve results varied according to the skills and experience of a given client. Many were satisfied with the amount and duration of support received, whereas others who were unaccustomed to the demands of formal markets appeared to require additional follow-up.

This was one of the reasons the ToC was revised in 2023, in recognition that many enterprises were unlikely to achieve initially expected growth within the timeframe of the support. Larger enterprises had to emphasise investments in food safety infrastructure and related measures, rather than growth *per se*. In light of this, the Evaluation Team concurs with the FED view that the timeframes in the initial ToC were overoptimistic. However, it is also recognised that extending the duration of support to a given cohort, before they 'graduate', may put into question the ultimate value for money inherent in the FED model.

This is particularly the case with microenterprises that require extended (and intensive) coaching, and where the potential for growth and increased profitability is limited. There is an inevitable tension between poverty alleviation objectives and efficiency.

Size of grants available was also a limiting issue. In some cases, machines bought (presses, etc.) were smaller than necessary because of budgetary constraints, and (where provided) funds available for procuring stock were insufficient: a client involved in cashew processing informed the Evaluation Team that resources available through FED would only have been sufficient to buy 250 kilogrammes of unprocessed cashew nuts. This constraint has been recognised by FED staff, with one saying: "I think the cap (on grants) is a bit limited for some clients...we have to now try and compromise".

Despite these issues, the bulk of evidence indicates that capital investments made by the project have enabled concrete business growth and systemic changes although at a more limited scale than originally envisaged. It should be noted that only 30% of clients responding to the e-survey were of the opinion that the funds and equipment they received from the project were received in a timely and convenient way, and data collected through the e-survey and face-to-face interviews point to clients across a range of sectors realising revenue increases of 25-40%, specifically for microenterprises, with certification facilitating market access and 100% sales growth for some. As one client involved in fruit juice production reported, an injection of USD 3,000 from FED resulted in an increase in production from 60 to 240 cases per week – an increase of 400%. In another case a client involved in the dairy value chain commended FED's support in obtaining the certifications necessary to unlock market access.

In summary, although the project is expensive if investments in FED staff time and in-kind support per client are compared to results (in part due to the small-scale nature of the businesses being supported), FED has enabled important business development and systemic changes, as well as demonstrating the potential for impact with relatively small resource packages. However, many changes remain incremental and/or limited in scale and sustainability within constrained time periods. Adjusting expectations around time frames, funding flexibility, and

targeted scaling could help bridge the gaps between observed outcomes and intended end-goals in an eventual second phase.

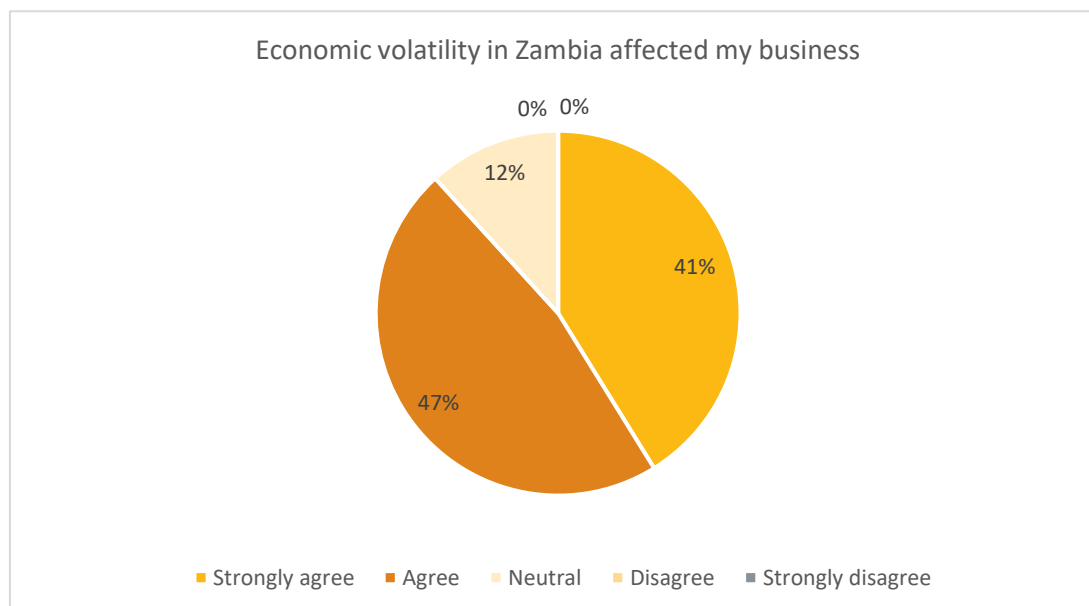
5.1.3 Finding 17: The shift to virtual and hybrid modalities for the customised technical assistance and general contact with clients in conjunction with the COVID 19 pandemic significantly increased efficiency although there were some lags.

Clients generally reported satisfaction with the flexible training delivery methods –combining both onsite and virtual sessions. One respondent appreciated the “mixture of online and face-to-face training.” However, internet connectivity in remote areas, and access to technology to take advantage of this support varied from client to client, making the online option more suited to those who were equipped to engage in remote support. Indeed, a few respondents noted the greater effectiveness of in-person versus online trainings due to these issues.

5.1.4 Finding 18: FED has ‘dabbled’ in areas that are essential but outside its core added value (e.g., financing of raw materials) and where FED engagement is inevitably less efficient due to ad hoc approaches.

As described elsewhere in this report, FED has engaged in relatively flexible response to client needs in ways that transcend what the evaluation team judges to be its core roles of customised technical assistance and investments related to certification, food safety and hygiene. As figure 8 shows, nearly all e-survey respondents considered that the economic volatility that prevails in Zambia poses a threat to their business. There is a recognition that a project of the size and scope of FED is unlikely to fully insulate businesses from these macro-economic shocks.

Figure 8: Clients’ perceptions of the impact of economic volatility on business.



The improvised efforts that FED did make to address wider contextual issues have yielded benefits in terms of meeting client needs and building trust. However, these areas of ‘ad hoc’ response, most notably with regard to finance of raw materials, are not efficient as they can be seen as attempts to respond to systemic problems with one-off inputs. Such support has often been at the request of clients who had expectations of support with working capital and liquidity injections to cover COVID-19 or shocks such as outbreaks of livestock disease, both of which induced downturns in cashflow. As will be described below, such support may be justified if

in response to (temporary) transient risk. Nonetheless, given that FED does not have systems in place to provide such support in a systematic manner, this is judged by the evaluation team to be inefficient.

FED staff recognise their difficulties in recognising where to ‘draw the line’ between responding to clients’ needs and ensuring a focus on efficiency. These trade-offs ultimately relate to the overarching recognition of the importance of comprehensive value chain issues while maintaining a viable role for a modest-sized project. These factors are highlighted in box 5 below with regard to the peanut butter value chain.

Box 5: FED analysis of the peanut butter value chain

FED has undertaken a very thorough and credible *Industry Strategic Plan for the Peanut Butter Value Chain in Zambia* (FED 2022). This report can provide a basis for a more focused programme of support to this sub-sector in the future. It reflects lessons that have been learned from working with peanut butter processors in the course of the project. However, FED is currently not a value chain programme per se. The comprehensive and complex range of opportunities and obstacles analysed in the report illustrate the enormity of the tasks that would need to be addressed if a ‘value chain approach’ was to be undertaken.

Indeed, the report concludes that collaborative efforts by the government, civil society and international organisations would need to strengthen the capacities of a broad range of value chain actors to address the potential of the peanut butter value chain. FED’s target group, agro-processing firms, is just one piece of this puzzle. This evaluation has found that a value chain perspective provides a useful lens to see how FED’s work can contribute in this broader perspective, but it also highlights the enormity of these tasks and the need for closer collaboration with other stakeholders involved in extension, finance and other essential functions.

6 Findings: Other

6.1 IMPACTS ON THE ENVIRONMENT

EQ5: Has the project had any positive or negative effects on the environment? Could environment and climate change considerations have been improved in planning, implementation or follow up?

Summary finding: FED's environmental engagement is effective in waste management; expanding to other areas may be possible, but unwieldy.

At the start of the programme, FED had intentions to undertake environmental impact assessments of the enterprises being supported. During implementation it was soon recognised that this was unrealistic given the costs (for FED and for its clients) in undertaking such studies. These ambitions were scaled back and replaced with a focus on Clean Production Processes. Despite this lack of impact assessments, it can be noted that no apparent negative environmental impacts were observed in the course of the Evaluation Team's client visits.

However, neither was evidence found of environmental criteria being used for, e.g., asset procurement or explicit climate risk analysis for value chains. This suggests that there may be missed opportunities for climate efficiency gains and understanding resilience gaps. The evaluation encountered a few examples of investment in solar energy systems, but this does not appear to have been systematically pursued.

6.1.1 Finding 19: Training on waste management, composting, reduced water usage and clean production processes has had positive environmental effects for clients' operations.

When queried about FED support related to the environment, clients most often described results in changed practices stemming from FED training on waste management processes. It is difficult to confirm changes in relation to environmental awareness, as for many their awareness predated FED support. For example, many received support because they were already committed to organic products and thus did not work with organic products because of FED.

The Evaluation Team judges that the current scope of FED limits entry points for environmental interventions given that clients primarily expect FED to provide support relating to aspects of their firms that are only tangentially related to the environment. If FED was to take on a heavier environmental focus, it would involve a significant normative shift beyond the current emphasis on enhancing agro-processing productivity and profitability. The level of staff time and effort that would be required to engage in such changes in attitudes and perspectives should not be under-estimated.

It can also be noted that the majority of environmental risks and potential for improvements are linked to agricultural production, and thus outside the scope of FED.

6.2 CHANGES IN GENDER NORMS

EQ6: To what extent is the project contributing to changing negative social and gender norms? Is the project gender transformative?

Summary finding: *FED has made progress and is appreciated for its efforts to foster changes in gender norms, but it is unlikely that this will lead to transformative change.*

6.2.1 Finding 20: FED has actively encouraged women to assume more leadership roles, but results are modest.

Interviewees describe positive changes in women's roles in processing firms that could be at least partially attributable to FED. Examples include:

- More women employed/promoted in the leadership of the firm
- Women accessing FED training leading to skills improvement
- Increased self-confidence and changed practices due to training
- Women taking on entirely new roles (e.g., butchery) in the firm
- Recognition that women can operate machinery
- Stronger roles in workplace hygiene
- Recognition that women are generally more reliable ("women don't come to work drunk")

As noted earlier, results have been particularly notable in terms of the self-confidence of women leaders and within women-led cooperatives.

However, attribution to FED has been mixed, with interviewees describing how FED's contributions paralleled ongoing societal changes. Awareness and commitment to changing gender norms are clearly evident among FED staff and well-integrated into training. However, outcomes tend to be focussed on participation and equality norms within the individual firms rather than fundamentally challenging root societal barriers in terms of normative change. Overall, the engagement in the wider discourse on gender equality is limited, as could be expected in a project of this type as it is seen as somewhat outside the FED scope.

6.2.2 Finding 21: Investments in gender-friendly infrastructure have overcome some significant obstacles.

For many firms a precondition for more gender equal workplaces is basic infrastructure such as toilet and changing facilities. FED's infrastructure investments were commonly noted as being important in addressing these needs. A few examples were noted though where the client firm's facilities were too small to adapt accordingly.

6.3 POOR PEOPLE'S PERSPECTIVES AND HRBA

EQ7: Has the project been implemented in accordance with the poor people's perspective and a Human Rights-Based Approach?

Summary finding: *Though not an explicit goal, FED is conscious of the need to emphasise results related to the 'bottom of the pyramid' and human rights standards.*

6.3.1 Finding 22: Although there is no evidence of mapping against human rights frameworks, progress has been made in urging clients towards commitments on staff health insurance/pensions to align with formal employment rights norms.

Effective pursuit of worker rights issues is implicitly related to the FED mandate, e.g., ensuring health checks and access to sanitation facilities and protective equipment. With some notable exceptions, most interviewees stressed how SOPs and general training had actively and appropriately promoted attention to maintaining standards of staff hygiene, health and general well-being, but one FED advisor acknowledged there is no specific mandate or capabilities for applying concepts like the UN Guiding Principles on Business and Human Rights.

Furthermore, interviewees emphasised how, with strong encouragement from FED, they were formalising their staff contracts and following statutory requirements by enrolling them in government health insurance and pension schemes. This was not always welcomed by the staff of client enterprises who sometimes object to the subsequent deductions from their salaries. One client reported that they were waiting for their business “to stabilise” before following these formal requirements.

6.3.2 Finding 23: The cholera epidemic of 2024 demonstrates the need to incorporate safeguards and planning for emergency risks as human rights issue.

FED has remained conscious of the acute risks facing its clients (and their customers) in recent years and has provided what appears to have been relatively ad hoc but important support to deal with emergencies. One client referred to receiving a “de-risking grant” to deal with the effects of the COVID 19 pandemic on their business. Others mentioned receiving small cash or in-kind grants of raw materials when facing acute liquidity problems. However, others were informed that such support was not available.

When queried about lessons from the severe cholera epidemic that was underway at the time of the evaluation data collection, clients and FED staff described how it reinforced their commitments to improving food quality and hygiene, building on lessons from the COVID pandemic. There is consensus that such efforts are particularly important in times of crisis.

6.3.3 Finding 24: Modest impact has been achieved on poverty by generating employment – efforts are more focused on firm performance.

It may be assumed that healthier enterprises would have an impact on poverty by generating more jobs. This has not been a specific objective of the project, though a few FED staff referred to intentions that each firm create at least one new position. Several of the clients mentioned hiring a trained accountant. Those firms that had experienced rapid growth had sometimes employed significantly more workers, but most had made little or no changes in their staffing. Of the first cohort, there were relative few new jobs that were reported to have been created. Some mentioned that new equipment had mechanised parts of the production process, which could even reduce labour demand.

6.3.4 Finding 25: Support for micro-enterprises appears to have contributed to poverty reduction, but it is recognised that this comes at a considerable cost.

FED is effective at reaching micro-enterprises and thereby having a direct impact on poverty. But this comes with considerable cost in terms of staff time and logistics, and some FED staff are uncertain about whether these benefits justify the costs. One interviewee described this dilemma. “We find different impacts with different clients. If we only worked with micro businesses we would have less impact since they have limits with what they can do. Would be exponential results (e.g., 100% increase in profits), but still not a lot (since their turnovers are so tiny). With larger companies the growth would be more significant, enabling them to buy more from suppliers.” This is an issue where poverty alleviation objectives can be seen to be at odds with efforts to increase efficiency. An additional notable factor in this regard is that a

large proportion of micro-enterprises are women-owned, and a shift to larger clients could have negative impact on FED's outcomes related to gender equality.

7 Evaluative Conclusions

7.1 OVERALL CONCLUSIONS

7.1.1 Relevance and effectiveness are strong within FED's core mandate.

The boundaries of FED's mandate were not entirely clear at the outset, but the project has applied a learning approach and has arrived at a highly relevant, and relatively effective and efficient approach. Diagnostics and collegial dialogue with clients and other stakeholders have enabled this. The FED team is skilled at enhancing knowledge about how to access markets and apply principles for safe and efficient production. Outcomes have been limited thus far due to a difficult and volatile context, as well as the time required to apply skills and investments. This is particularly apparent in relation to the structural obstacles facing small firms in supplying to large retail outlets. Expanded results may rely on additional partnerships and types of interventions to provide enterprises with a sufficient package of support. This would require a somewhat different type of intervention than FED, i.e., with greater engagement across the landscape of support to agro-processing. Lessons can certainly be drawn from FED's experience with services to individual clients, but the focus would need to shift towards systemic issues, perhaps involving Sida engagement in multi-stakeholder dialogue.

7.1.2 However, FED will never be an effective 'broker' in market relations, nor a supplier of financial or extension services.

The evaluation observed significant hopes and demands for broader engagement in food systems, i.e., in areas of financing raw materials, brokering contracts for its clients, and in upstream food production advice and facilitation. These are clearly relevant and needed. However, the evaluation deems that these are not within FED's core mandate, capacities and added value. FED is good at providing knowledge and skills in food processing, and in enhancing clients' business skills and making needed investments related to certification. It has facilitated some linkages between clients and external finance providers. It is, nonetheless, a 'project' and is not positioned to address wider programmatic and sectoral concerns.

There are examples of FED 'sliding' into other domains, most notable in financing and procuring raw materials. While understandable given the needs and demands of its clients, the evaluation judges that this represents a 'slippery slope' that should be avoided.

7.1.3 Nonetheless, a degree of operational flexibility has been a strong point and will continue to be required in the future.

Despite this 'principle', it is recognised that FED's clients operate in a highly volatile environment. Therefore, there are significant transient risks from a range of emergencies that suddenly put the viability of client enterprises into question. These may consist of temporary loss of markets due to pandemics or financial crises. They may relate to weather emergencies that temporarily obstruct access to raw materials or illness in household businesses. Now that initial learning about these risks is falling into place, the time has come to formalise and systematise the prevailing ad hoc arrangements for such emergency support.

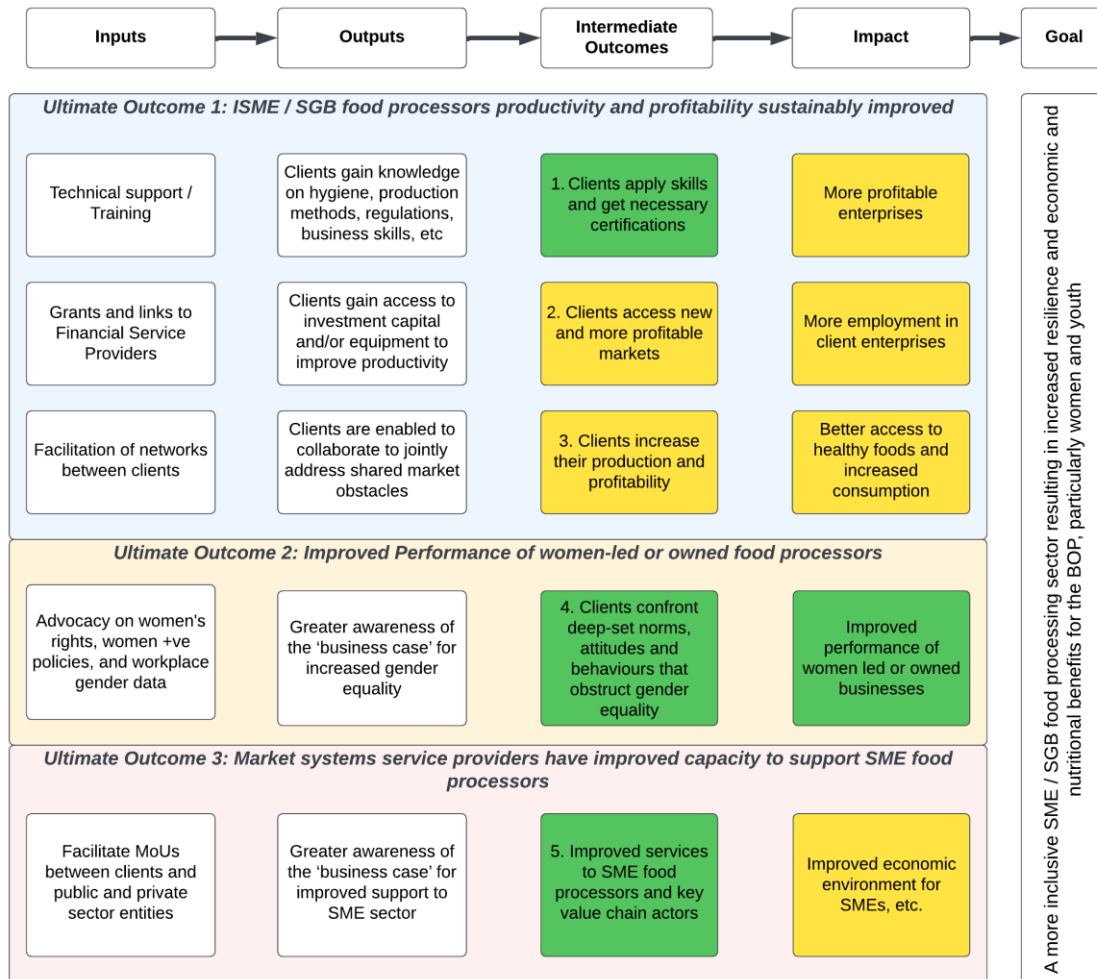
7.1.4 FED contributes to gender equality, environmental sustainability and reflects respect for human rights.

FED has made modest but significant contributions to influencing gender norms, supporting women's enterprises, promoting sustainable waste management practices and strengthening the

rights of workers in the enterprises it supports. FED has even had impacts on improving nutrition among the poor by increasing the availability and access to nutritional foods, despite lacking formal objectives in this regard. As with many projects, realising gender objectives beyond the entities directly involved in the action is limited, but continued efforts to mainstream equality add to overall efforts to move the needle in the right direction.

7.2 CONCLUSIONS IN RELATION TO THE TOC

Results in relation to the ToC proposed by the evaluation team in the inception phase can be summarised as follows:



Notes

1. FED provides valuable training and guidance to clients on developing standard operating procedures and implementing food safety and quality control processes. It also assisted with regulatory issues and certification, helping clients meet requirements to access larger formal markets.
2. Clients struggle with lack of capital and uneven access to raw materials, making it difficult to scale up production. Others lacked deeper understanding of market dynamics and were unable to compete with bigger players in setting prices or absorbing thin profit margins. Certification processes were longer than anticipated, and economic volatility impacted market access. Necessary complementary interventions (financing and infrastructure) were outside of the project's scope and control.
3. While specialised training and infrastructure grants enabled capacity gains, clients face multiple challenges in boosting production and profitability despite project support. Lack of finance, economic volatility, rising input costs, and weakened consumer demand strain margins. Some focused on low-income consumers by selling products in small, affordable quantities rather than competing in formal markets requiring large volumes.
4. The project has made some modest progress in confronting barriers to gender equality, but systemic and transformative change remains limited. FED has enabled more women to assume leadership roles, gain skills, and take on non-traditional functions, and increased recognition of women's abilities. Given the context, the FED's achievements represent solid contributions towards the overall objective of gender equality.
5. FED fills an important niche in providing specialized technical assistance to SME food processors around certification, food safety, hygiene, and business operations: all directly address key gaps expressed by beneficiaries and leverage partnerships with government agencies to build capacity. However, factors outside the project's scope - access to finance and markets - remain binding constraints for many clients, and FED has limited ability to resolve these systemic gaps at scale. Still, within its well-defined areas of expertise, the project delivers relevant, tailored services that both public and private stakeholders recognize as unique and important to elevate standards across the sector.

Diagram key

- Outcome / Impact objectives somewhat achieved
- Outcome / Impact objectives largely achieved

8 Lessons Learned

8.1 LESSONS FOR AN EVENTUAL FUTURE PHASE

8.1.1 FED is highly relevant, largely effective and should continue on its present course.

The FED model constitutes an important and viable niche, aligned with Zambia's overall development objectives, in responding to the needs and developing the potential of agro-processing firms in the following:

- Enhancing (and creating conditions to enhance) productivity and profitability
- Accessing new markets
- Empowering women entrepreneurs
- Enhancing the quantity, quality and gender equality of employment in this sub-sector
- Reducing pollutants
- Increasing access to healthier, locally produced food

Some of these goals have been achieved already, and some will require additional time. Investments should continue to be targeted to increasing productivity and profitability, while capacitating clients to apply SOPs, enhance food hygiene and scale-up production in ways that reflect commitments to food safety, employee well-being, women's empowerment and nutritional benefits to consumers.

8.1.2 FED has been overambitious, but has also learned along the way.

In the inception phase of this evaluation, it was recognised that there were four areas where the ToC and general approach appeared to be overambitious:

- Spatial coverage, i.e., the national level scope with a significant focus on isolated areas
- Timeframe for clients to absorb, adapt, apply and restructure their businesses
- Intensity of advisory services required per client
- Ability to ensure that complementary services (finance, infrastructure, producer training, etc.) are available to provide a basis for clients to apply learning and make needed investments

All four of these factors appear to have constrained results, to varying degrees. However, in various ways FED has been able to achieve an appropriate balance between efficiency and retaining a focus on reaching small firms in need of the support it provides, whilst ensuring impacts on the bottom of the pyramid.

8.1.3 FED should emphasise four processes going forward:

i. Clearly defining FED's role in the wider agro-processing service landscape

Demands and needs are greater than what can be addressed by FED in an effective and efficient manner, but efforts need to remain cognisant of processes in the wider landscape towards meeting these needs. In this context, FED's relations with clients and partners could be strengthened by more proactive efforts to define and describe what the project does and what

it does not intend to do. FED should therefore refine its role within its current range of activities. FED should not become an extension service nor a financial service provider, even though these are sorely needed. The FED experience indicates that efforts to expand the project into other aspects of market systems may indeed yield significant benefits for selected clients, but cannot be managed in an efficient manner within a modest-sized project. This would inevitably lead to a reduction in the quality of services and number of clients.

There is no ‘silver bullet’ for addressing these systemic issues. Financial services should be handled by institutions with relevant capacities and the same is true for agricultural extension. A project like FED can inform the Government of Zambia and other donors about how agro-processing needs to be part of these systems, and to a significant extent it already has. However, it should not be expanded to meet the huge range of needs within the system. Investments by the World Bank and others are more appropriate channels for systemic efforts.²⁰

FED has been able to attain an impressive geographic coverage that contributes towards equitable service provision, but going forward will need to reflect over the costs and benefits of retaining these levels of ambition. FED’s flexibility until now has been warranted as part of a learning process. At this point, however, FED should be able to more clearly define its role, strengths and acknowledge its limitations. This should be based on a more ‘pragmatic’ theory of change that acknowledges that FED will never be a panacea for reaching unreachable markets and overcoming economy of scale factors favouring some larger enterprises. Some clients may find this disappointing, but most are already realistic about their prospects. To be efficient and focused a clearer mandate and scope will be required.

ii. Reinforcing partnerships where available

FED should expand its efforts to establish and reinforce partnerships with other agencies to assist its clients to access finance for raw materials, leverage support for larger investments, and generally find profitable and sustainable business models. Through these partnerships, it will be able to maintain an appropriate and manageable approach and scope. Interviews with external stakeholders – notably the Zambia Cooperative Federation – indicate there is appetite for closer cooperation.

iii. Advocacy and dialogue for addressing prevailing gaps

Partnerships are nonetheless not a panacea, given the scale of the needs. The range of potential partners active in agro-processing in Zambia is inadequate. The experience of the sector-wide training indicates the importance of and potential to keep these gaps in access to support on the food systems agenda. FED has a latent advocacy role in this regard.

iv. Deciding on the scale of enterprises to focus on

FED has been successful in reaching and providing meaningful support to micro-enterprises. Success stories have instilled pride among TechnoServe staff, and this aspect of the project has had a notable impact on poverty. However, in cost/benefit terms, the efficiency of this support can be questioned (although it should be noted that generally supporting small enterprises can be resource intensive relative to the returns). The evaluation team does not judge that it should present a recommendation regarding the future of this micro-enterprise support, as it relates to values and priorities, i.e., regarding commitments to reaching the poorest clients directly versus accepting a high degree of ‘triage’ wherein many (perhaps most) small enterprises are judged to be likely to be unviable or are ‘too expensive’ to reach with the level of support they need. It is further noted that an emphasis on micro-enterprises is also important for reaching a large

²⁰ See plans for the Zambia Agribusiness and Trade Project II described in World Bank, (2024).

proportion of female entrepreneurs. TechnoServe has developed sufficient knowledge to provide a nuanced proposal in this regard, balancing efficiency and steadfast commitments to poverty alleviation. It will be important though, to make transparent decisions regarding the future of this support, and the implications for resource intensive programming.

9 Recommendations

9.1 RECOMMENDATIONS TO FED IN THE CURRENT PROJECT

1. The evaluation team does not recommend significant course corrections within the current phase. An exception would be if the current phase is extended significantly; in which case the changes proposed below can begin to be implemented.
2. If resources are available, FED should consider arranging one more sector-wide training event, ideally co-hosted by a partner specialised in finance for agro-processing firms, to discuss the way forward for access to finance for raw materials and recurrent expenses. This could inform plans (and suggest how to define limitations) for an eventual future phase.
3. FED management should take into consideration the implications of eventual future directions described below and begin taking steps to put into place modifications for a smooth transition. This could involve further value chain analyses and exploration of the demand from stakeholders for creating a multi-stakeholder platform for discussing the factors facing micro and small-scale agro-processors.

9.2 RECOMMENDATIONS TO FED REGARDING AN EVENTUAL FUTURE PHASE

4. FED should largely retain its current focus with some modifications. It should take on somewhat fewer clients, e.g., 85, but provide deeper, more specialised support through closer partnerships. This implies:
 - a. Retain national scope but pursue other ways to narrow target groups. This should be done by prioritising selected value chains with major impact on livelihoods of the poor (e.g., in generating employment among producers and processors, value chains with a large proportion of viable micro-enterprises, opportunities to build on the initiatives of women entrepreneurs and their cooperatives, value chains with low entry costs in terms of investments in machinery, products for which raw materials are readily and reliably available from small-scale local producers, value chains with stable domestic markets, etc.).
 - b. This focus on a few value chains would facilitate more efficient, intense, specialised support to clients.
 - c. FED staff could also further develop their knowledge and analyses of a narrow range of value chains to further tailor (“customise”) advice.
 - d. As part of a proposal for more intensive support, FED should undertake a value for money assessment of the overall model to determine whether efficiency

savings from a narrower value chain focus will offset the additional investment per client.

5. FED should select value chains to focus on based on analyses already conducted²¹ that highlight areas where poor clients can benefit (e.g., honey in North-Western Province) and avoiding those where it is unlikely that micro-enterprises and SMEs will be able to ‘make the leap’ to compete with large firms (e.g., edible oils).
6. Particularly as part of the selection process, FED should continue its ongoing efforts to strengthen its analyses of individual client businesses, a major part of which would be to clearly assess their *viability* given prevailing market conditions (drawing on value chain analyses), and *scalability* potential given their relative need for large capital investments. These analyses should subsequently be used to calibrate support accordingly.
7. FED’s M&E analyses should build on current efforts to critically analyse clients’ receptiveness and capacities to respond to advice and readiness to apply new approaches (and business outcomes ultimately achieved). This should be combined with greater attention to follow-up among non-respondents to add rigour to the current emphasis on self-reporting.
8. Of particular importance, FED should look closer at their strategies to access capital (e.g., for purchasing raw materials and covering recurrent costs) and expand collaboration with financial service providers. Apart from the exception noted below, FED should not provide grants to cover these costs.
9. Intervening in these areas involves systemic and policy engagements that transcend FED’s current focus, mandate, and capacities (i.e., on services for individual enterprises). As such FED may need to focus on leveraging lessons from the current programme to inform initiatives from Sida or other actors (particularly the World Bank) working at more macro levels to address overarching market and food systems issues.
10. Engagement with financial actors and investment schemes should be facilitated through donor coordination. The FED contribution to this should be by expanding its efforts in convening sector-wide *dialogue*. FED is experienced at this but should relabel the existing sector-wide training component of their work to emphasise the dialogue function.
11. FED should maintain a modest fund for the provision of ‘emergency’ support to deal with unexpected events and liquidity crises. Clear conditions should be defined for when these resources can be released.
12. FED should propose to Sida a strategy for an eventual future phase that would allow adequate time for meaningful capacity development and better measurement of long-term outcomes. Support should be provided for two overlapping cohorts, each of which should receive support for three years. The cohort timeframe would provide sufficient time to consolidate the capacities developed in the enterprises. A longer perspective on capacity development would facilitate learning and sub-sector dialogue.

²¹ See: FED (2022), Industry Strategic Plan for the Peanut Butter Value Chain; FED (2022?), Honey Industry Strategic Plan; FED (2022?), Industry Strategic Plan for the Edible Oils Value Chain. Other similar studies have been done by the Ministry of Agriculture on Soy beans and currently by FAO on maize aquaculture and honey.

13. A proposal for a future phase should include a structured plan for transforming the current sector-wide training component to a more ambitious convening role to promote sector-wide dialogue on the main obstacles facing agro-processors, i.e., access to financing for seasonal purchase of raw materials and longer-term capital investment.
14. The ceiling for in-kind support should be raised, even if this means working with fewer clients. The ceiling should reflect the size of the enterprise, but also recognise that different production systems will require different levels of investment in order to achieve intended production gains. FED should propose a sliding structure that reflects these principles.
15. FED should confer more closely with clients regarding procurement to ensure that equipment responds to their needs and to take advantage of clients' knowledge of suppliers and experience with different machinery.

9.3 RECOMMENDATIONS TO SIDA

16. Sida should consider support to a second phase of FED if TechnoServe submits a proposal that reflects the principles in the lessons learned in this evaluation (in particular, see section 8.1.3 above) and application of the adjustments listed above at the end of the current phase.
17. Sida should explain to TechnoServe about what aspects of programming can (and cannot) be applied in an adaptive manner in accordance with Sida regulations, e.g., in deciding on the scale of grants and permitting cash support.
18. Sida should use the lessons that have been learned from FED to engage in multi-stakeholder dialogue about how to address the structural factors that are apparently beyond the scope of a technical service project. This is in accordance with the so-called "360 degree approach" through which Sida uses experience from field level projects such as FED to inform and add credibility to its higher level normative dialogue. In so doing, Sida can 'punch above its weight' in influencing actors making larger systemic investments.

Annex 1 – Terms of Reference

Template version: 2020-11-25

Terms of Reference for the Midterm Evaluation of the Food Enterprises for a Developed (FED) Zambia Project

Date: 21.06.2023

1. General information

1.1 Introduction

In Zambia more than half of the Zambian population lives below the poverty line without access to a secure and steady food supply, particularly for female-headed households yet the country is in a favourable position to become a regional hub for food production and food security. According to the Zambia Development Agency (ZDA), there are roughly 1,500 food processors in Zambia, the majority of which are SMEs and half of which are women owned. These SME food processors typically supply to informal food markets, micro-retail shops and roadside vendors. Food processors make up 60% of Zambia's manufacturing output, of which 90% of the processing focuses on foods (vs 10% in beverages).

The SME segment in Zambia represents more than half of all food processors in Zambia and has the highest number of women as business owners. Most are primary processors of staple foods such as maize, low-value dairy, ground nuts and soy. Yet the segment accounts for a small percent of the Zambian market share and there are staggering levels of inequity in profits for women versus men. Through small retail shops and informal open-air rural markets, SMEs supply a large portion of consumers who are often the poorest and who struggle with food insecurity and malnutrition

However, SMEs are facing several challenges in the food processing sector in Zambia, particularly due to the downward going economic development in the country including the outbreak of COVID-19 pandemic globally. Further challenges include lack of access to finance, unstable power supply (power cuts), low knowledge in agro/food processing technologies and methods including quality and safety standards, and insufficient skills in marketing.

The Embassy of Sweden has a running strategy 2018-2023 that requires reporting towards the objectives of environment, climate, energy, sustainable inclusive economic development, and livelihood (known as Strategy Area 3). The Embassy wanted to report specifically to the results of improved opportunities for sustainable livelihood with focus on productive employment with decent working conditions particularly for women and young people, increased capacity to engage in sustainable trade, access to markets and value chains for small -scale farmers, entrepreneurs, and business. The Embassy thus undertook a scoping mission to identify a partner to work in the agro processing sector, with specific focus on women and youth. The Embassy wanted to engage a partner that would be able to support the agro processing sector in Zambia. The Embassy held interviews with several partners and some of these partners were further invited to make brief presentations of their programmes with focus on experience in the agro processing sector. After analysing the respective presentations and discussions, TechnoServe (TNS) came out as the preferred partner because of its experience and reputation in the agro and food processing sector, both in Zambia and in the region. A contributing aspect was also the fact that Sida has already partnered with TechnoServe in Ethiopia and Mozambique and has ongoing support to TechnoServe in these two countries.

The Embassy signed a grant agreement with TNS for the period 1st December 2020 to 31st May 2024. The total value of the Agreement is 35,7 MSEK. The Embassy is the sole donor for the FED project.

1.2 Evaluation object: Intervention to be evaluated

The evaluation object TNS is implementing a Food Enterprises for a Developed Zambia (FED) Project which is a three and half -years (2020-2024) initiative funded by Swedish International Development Cooperation Agency (Sida). The FED project is aimed at increasing revenues and marketable volumes as well as creating/retaining jobs for 100 Small and Medium Enterprises (SMEs) and Small Growing Businesses (SGBs), 50% of which should be led or owned by women. The project is further expected to impact other beneficiaries directly and indirectly and these include, customers, value chain retailers including their employees and input suppliers. The three specific objectives that will support the overall project goal of “A more inclusive SME food processing sector resulting in increased resilience and economic and nutritional benefits for the Bottom of the Pyramid (BOP) particularly women and youth” are:

- 1) Improving sustainably the productivity and profitability of the SMEs/SGBs food processors.
- 2) Improving the performance of women-led or owned food processors SMEs/SGBs.
- 3) Improving the market systems service providers’ capacity to support SME/SGBs food processors.

TNS is implementing its activities in Lusaka, North-Western, Central, Copperbelt, Western and Southern Provinces. TNS is providing trainings and in-kind grants to selected businesses. It is expected that through these activities, the businesses will improve their respective efficiencies, profitability and growth and contribute to a stronger and more inclusive food

processing sector. Further it is expected that the SMEs in the processing sector will play a significant role in increasing the resilience of the sector, providing for the country's food needs, and increasing livelihoods and jobs, particularly for young people especially the women.

1.3 Evaluation rationale

The FED project has been under implementation since 2020. A midterm evaluation was planned for late 2021 to assess project performance, identify areas of improvement including recommendations for the remainder of the agreement. However, due to Covid-19 and other organisational internal challenges, the project suffered a slow start with the inception phase of 6 months. The mid-term evaluation was therefore, postponed for 12 months to allow the project to gain some ground in terms of implementation. The slow start and pace of project implementation corresponds to slow rate funds consumption. An evaluation is therefore best suited for this period. It will allow for some reasonable assessment of project implementation and also gives direction on what the project should focus on during the final year of the project.

2. The assignment

2.1 Evaluation purpose: Intended use and intended users

The purpose or intended use of the evaluation is to help The Embassy and TNS assess progress of on-going FED project and learn from what works well and less well. The evaluation will be used to inform decisions on how project implementation may be adjusted and improved.

The primary intended users of the evaluation are: TNS management and project staff and the Embassy of Sweden in Lusaka (DCD).

The evaluation is to be designed, conducted, and reported to meet the needs of the intended users and tenderers shall elaborate in the tender how this will be ensured during the evaluation process. Other key stakeholders that should be kept informed about the evaluation will be determined by TNS. Other interested parties like the wider donor community and the academia who may want to utilise the results of the evaluation are potential secondary users of the evaluation.

During the inception phase, the evaluator and the users will agree on who will be responsible for keeping the various stakeholders informed about the evaluation.

2.2 Evaluation scope

The mid-term evaluation will cover implementation of activities of the FED project from inception to 31st May 2023. Considering that Sida is the sole funder of the FED project, the scope of the evaluation is the whole FED project. The evaluation will focus on activities as agreed with the Embassy of Sweden and as indicated in the project proposal and log frame. For further information, the project proposal is attached as Annex D. The scope of the evaluation and the theory of change of the project shall be further elaborated on by the evaluator in the inception report, if deemed necessary.

2.3 Evaluation objective: Criteria and questions

The evaluation questions are:

Relevance: Is the intervention doing the right thing?

- To what extent has the project objectives and design responded to beneficiaries', partner needs, and priorities, and have they continued to do so if/when circumstances have changed?

Effectiveness: Is the intervention achieving its objectives?

- To what extent are the interventions contributing to the project's three specific objectives. What are the reasons for the achievement or non-achievement of objectives and what lessons can be learnt from these?
- Have the M&E system delivered robust and useful information that could be used to assess progress towards outcomes and contribute to learning?

A.

Efficiency: How well are resources being used?

- To what extent has the project delivered, or is likely to deliver, results in an economic and timely way?

The evaluation shall further address the following questions

- Has the project had any positive or negative effects on the environment? Could environment and climate change considerations have been improved in planning, implementation or follow up?

B.

C. Further, bidders should consider including evaluation questions that address the perspective of the poor and a human rights-based approach. This could include one or two questions such as:

D.

- Has the project been implemented in accordance with the poor people's perspective and a Human Rights Based Approach? For example, have target groups been participating in project planning, implementation and follow up? Have the priorities of people living in poverty, as expressed by themselves, been reflected in project planning and implementation? Has anyone been discriminated by the project through its implementation? Has the project been implemented in a transparent fashion? Are there accountability mechanisms in the project?

Questions are expected to be developed in the tender by the tenderer and further refined during the inception phase of the evaluation.

2.4 Evaluation approach and methods

It is expected that the evaluator describes and justifies an appropriate evaluation approach/methodology and methods for data collection in the tender. The evaluation design, methodology and methods for data collection and analysis are expected to be fully developed and presented in the inception report.

The evaluator is to suggest an approach/methodology that provides credible answers (evidence) to the evaluation questions. Limitations to the chosen approach/methodology and methods shall be made explicit by the evaluator and the consequences of these limitations discussed in the tender. The evaluator shall to the extent possible, present mitigation measures to address them. A clear distinction is to be made between evaluation approach/methodology and methods.

A *gender-responsive* approach/methodology, methods, tools and data analysis techniques should be used²².

Sida's approach to evaluation is *utilization-focused*, which means the evaluator should facilitate the *entire evaluation process* with careful consideration of how everything that is done will affect the use of the evaluation. It is therefore expected that the evaluators, in their tender, present i) how intended users are to participate in and contribute to the evaluation process and ii) methodology and methods for data collection that create space for reflection, discussion and learning between the intended users of the evaluation.

In cases where sensitive or confidential issues are to be addressed in the evaluation, evaluators should ensure an evaluation design that do not put informants and stakeholders at risk during the data collection phase or the dissemination phase.

2.5 Organisation of evaluation management

This evaluation is commissioned by Swedish Embassy in Lusaka. The intended users are the Embassy of Sweden in Lusaka, and TNS. The intended users of the evaluation form a steering group, which has contributed to and agreed on the ToRs for this evaluation. The steering group is a decision-making body. It will approve the inception report and the final report of the evaluation. The steering group will participate in the start-up meeting of the evaluation, as well as in the debriefing/validation workshop where preliminary findings and conclusions are discussed.

2.6 Evaluation quality

All Sida's evaluations shall conform to OECD/DAC's Quality Standards for Development Evaluation²³. The evaluators shall use the Sida OECD/DAC Glossary of Key Terms in Evaluation²⁴ and the OECD/DAC Better Criteria for Better Evaluation²⁵. The evaluators shall specify how quality assurance will be handled by them during the evaluation process.

2.7 Time schedule and deliverables

²² See for example UNEG United Nations Evaluation Group (2014) Integrating Human Rights and Gender Equality in Evaluations <http://uneval.org/document/detail/1616>

²³ OECD/DAC (2010) Quality Standards for Development Evaluation.

²⁴ Sida OECD/DAC (2014) Glossary of Key Terms in Evaluation and Results Based Management.

²⁵ OECD/DAC (2019) Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use.

It is expected that a time and work plan is presented in the tender and further detailed in the inception report. The evaluation shall be carried out from 1st September 2023 to 26th March 2024. The timing of any field visits, surveys and interviews needs to be settled by the evaluator in dialogue with the main stakeholders during the inception phase.

The table below lists key deliverables for the evaluation process. Alternative deadlines for deliverables may be suggested by the consultant and negotiated during the inception phase.

Deliverables	Participants	Deadlines
1. Start-up meetings (Virtual)	Embassy of Sweden, TNS	1 st September 2023
2. Draft inception report	Evaluators	Tentative 13 th November 2023
3. Comments from intended users to evaluators	Embassy of Sweden, TNS	Tentative 27 th November 2023
4. Inception meeting (Virtual)	Embassy of Sweden, TNS	1 st December, 2023
5. Data collection, analysis, report writing and quality assurance	Evaluators	8 th December, 2023
6. Debriefing and initial feedback meeting	Embassy of Sweden, TNS	6 th February, 2024
7. Draft evaluation report	Evaluators	22 nd February 2024
8. Comments from intended users to evaluators	Embassy of Sweden, TNS	Tentative 12 th March 2024
9. Final evaluation report	Evaluators	26 th March 2024

The inception report will form the basis for the continued evaluation process and shall be approved by Sida before the evaluation proceeds to implementation. The inception report should be written in English and cover evaluability issues and interpretations of evaluation questions, present the evaluation approach/methodology *including how a utilization-focused and gender-responsive approach will be ensured*, methods for data collection and analysis as well as the full evaluation design, including an *evaluation matrix* and a *stakeholder mapping/analysis*. A clear distinction between the evaluation approach/methodology and methods for data collection shall be made. All limitations to the methodology and methods shall be made explicit and the consequences of these limitations discussed.

A specific time and work plan, including number of hours/working days for each team member, for the remainder of the evaluation should be presented. The time plan shall allow space for reflection and learning between the intended users of the evaluation.

The final report shall be written in English and be professionally proofread. The final report should have clear structure and follow the layout format of Sida's template for decentralised evaluations (see Annex C). The executive summary should be maximum 3 pages.

The report shall clearly and in detail describe the evaluation approach/methodology and methods for data collection and analysis and make a clear distinction between the two. The report shall describe how the utilization-focused approach has been implemented i.e., how intended users have participated in and contributed to the evaluation process and how methodology and methods for data collection have created space for reflection, discussion and learning between the intended users. Furthermore, the gender-responsive approach shall be described and reflected in the findings, conclusions, and recommendations along with other identified and relevant cross-cutting issues. Limitations to the methodology and methods and the consequences of these limitations for findings and conclusions shall be described.

Evaluation findings shall flow logically from the data, showing a clear line of evidence to support the conclusions. Conclusions should be substantiated by findings and analysis. Evaluation questions shall be clearly stated and answered in the executive summary and in the conclusions. Recommendations and lessons learned should flow logically from conclusions and be specific, directed to relevant intended users and categorised as a short-term, medium-term, and long-term.

The report should be no more than 35 pages excluding annexes. If the methods section is extensive, it could be placed in an annex to the report. Annexes shall always include the Terms of Reference, the Inception Report, the stakeholder mapping/analysis and the Evaluation Matrix. Lists of key informants/interviewees shall only include personal data if deemed relevant (i.e. when it is contributing to the credibility of the evaluation) based on a case based assessment by the evaluator and the commissioning unit/embassy. The inclusion of personal data in the report must always be based on a written consent.

The evaluator shall adhere to the Sida OECD/DAC Glossary of Key Terms in Evaluation²⁶.

The evaluator shall, upon approval by the Embassy of the final report, insert the report into Sida's template for decentralised evaluations (see Annex C) and submit it to Nordic Morning (in pdf-format) for publication and release in the Sida publication database. The order is placed by sending the approved report to Nordic Morning (sida@atta45.se), with a copy to the responsible Sida Programme Officer as well as Sida's Evaluation Unit (evaluation@sida.se). Write "Sida decentralised evaluations" in the email subject field. The following information must always be included in the order to Nordic Morning:

1. The name of the consulting company.
2. The full evaluation title.
3. The invoice reference "ZZ980601".
4. Type of allocation: "sakanslag".

²⁶ Sida OECD/DAC (2014) Glossary of Key Terms in Evaluation and Results Based Management.

5. Type of order: "digital publicering/publikationsdatabas.

2.8 Evaluation team qualification

In addition to the qualifications already stated in the framework agreement for evaluation services, the evaluation team shall include the following competencies

- Master's degree in Business Studies, Enterprise Development or related.
 - Master's degree in Agricultural Economics, Rural Development or related
- E.
- F. It is desirable that the evaluation team includes the following competencies:
- A minimum of 10 years relevant professional experience in development programmes in developing countries (minimum 3 years in Africa), notably in monitoring and evaluating donor funded programmes in developing countries, and with the following expertise:
 - Demonstrated experience in working on programmes in the area of agri-food trade, agribusiness, agro processing, enterprise development, gender equality with a focus on women and youth.
 - Experience in conducting evaluations on small business development and gender equality.
 - Strong understanding of the Zambian agro food processing and trade, including existing regulatory standards for food stuff.
 - Strong understanding of smallholder agriculture in Zambia including climate change adaptation and mitigation

A CV for each team member shall be included in the call-off response. It should contain a full description of relevant qualifications and professional work experience.

It is important that the competencies of the individual team members are complimentary. It is highly recommended that local evaluation consultants are included in the team, as they often have contextual knowledge that is of great value to the evaluation.

The evaluators must be independent from the evaluation object and evaluated activities and have no stake in the outcome of the evaluation.

Please note that in the tender, the tenderers must propose a team leader that takes part in the evaluation by at least 30% of the total evaluation team time including core team members, specialists and all support functions, but excluding time for the quality assurance expert.

2.9 Financial and human resources

The maximum budget amount available for the evaluation is 1,8 MSEK.

Invoicing and payment shall be managed according to the following: The Consultant may invoice a maximum of 30% of the total amount after approval by Embassy of the Inception Report and a maximum of 70% after approval by Embassy of the Final Report and when the assignment is completed.

The contact person at Sida/Swedish Embassy is Zoole Newa, Programme Manager, Agriculture and Market Development. (zoole.newa@gov.se) The contact person should be consulted if any problems arise during the evaluation process.

Relevant Sida documentation will be provided by Zoole Newa, Programme Manager, Agriculture and Market Development (zoole.newa@gov.se)

Contact details to intended users will be provided by Zoole Newa, and Daisy Kambandu the Country Manager from TechnoServe, Zambia (dkambandu@tns.org)

The evaluator will be required to arrange the logistics such as booking interviews, preparing visits etc including any necessary security arrangements.

3. Annexes

Annex A: List of key documentation

- TNS Project proposal, including the log frame
- Inception phase report
- Annual reports 2021 and 2022

Annex B: Data sheet on the evaluation object

Information on the evaluation object (i.e., intervention)	
Title of the evaluation object	Food Enterprise for a Developed (FED) Zambia Project.
ID no. in PLANIt	12896
Dox no./Archive case no.	UM2020/35458
Activity period (if applicable)	1 st December 2020 to 31 st May 2024
Agreed budget (if applicable)	35,7 MSEK
Main sector	Agro processing and trade
Name and type of implementing organisation	TechnoServe, INGO
Aid type	Project Type
Swedish strategy	2018-2023

Information on the evaluation assignment	
Commissioning unit/Swedish Embassy	Swedish Embassy
Contact person at unit/Swedish Embassy	Zoole Newa
Timing of evaluation (mid-term, end-of-programme, ex-post, or other)	Mid Term
ID no. in PLANIt (if other than above).	

Annex 2 – Documents reviewed

Alfred Nuwagaba (2015), Enterprises (SMEs) in Zambia, International Journal of Economics, Finance and Management

Chilangwa, C (2021), FED Inception Report, TechnoServe

Chitongwe, H., M. Kabinga (2019), Assessing inter-sectoral linkages in the Zambian economy: The case of the agro-processing subsector, Policy Brief 41402, International Growth Centre

Chuba, N, E. Munsele (2022), Baseline Survey Report, FED

Embassy of Sweden Lusaka (2018), Poverty Analysis Zambia, 2018, Embassy of Sweden Lusaka.

FED (2020), FED Programme Technical Proposal

FED (2020), COVID-19 Survey Report, FED

FED (2021), FED Project Inception Report

FED (2022), Industry Strategic Plan for the Peanut Butter Value Chain

FED (2022?), Honey Industry Strategic Plan

FED (2022?), Industry Strategic Plan for the Edible Oils Value Chain

FED (2022), FED Project Baseline Survey Report Final

FED (2022), FED Annual Report June 2021-May 2022, FED

FED (2023), FED Annual Report June 2022-May 2023, FED

FED (2023), Performance Monitoring Plan (PMP), FED

Government Offices of Sweden (2018), Strategy for Sweden's development cooperation with Zambia 2018-2022

Government Republic of Zambia, Ministry of Commerce, Trade and Industry (2008), The Micro, Small and Medium Enterprise Development Policy, Ministry of Commerce, Trade and Industry

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Government Republic of Zambia (2022), the Eighth National Development Plan (2022 – 2026), Ministry of Finance and National Planning

Government Republic of Zambia (2017), the Seventh National Development Plan (2017 – 2021), Ministry of National Development Planning

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- Government Republic of Zambia (2023), The Voluntary National Review Report of Zambia
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- ILO (2012), Enhancing Zambia's SMEs' Competitiveness and Access to Finance, Partnerships and Field Support Department (PARDEV), ILO
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- Nhlane, R. (2016), Diversification towards agro-processing in Zambia: A CGE analysis of financial and fiscal incentives, MSc thesis Stellenbosch University
- Siame, M. (2016), Performance of Zambia's cooperatives: A case study of Kabwe, Lusaka and Kafue based cooperatives, *Early years: An international journal of research and development* 5(9)
- United Nations Office of the High Commissioner on Human Rights (2011), Guiding principles on business and human rights, UN
- World Bank (2024) Zambia Project Profiles: World Bank Financed Projects by International Development Association and Trust Funds, January 2024
- World Trade Organization and the United Nations (2018), Promoting SME Competitiveness in Zambia, International Trade Centre

Zambia Development Agency (2014), Agro processing sector profile 2014, ZDA

Annex 3 – E-survey results

E-survey Statement	Number / Percentage Agreeing / Disagreeing with Statement (n = 34)											
	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		N/A	
	n	%	n	%	n	%	n	%	n	%	n	%
The services received and interactions I have had with the project have resulted in an increase in business revenue	10	29%	15	44%	7	21%	1	3%	1	3%	0	0
The services received and interactions I have had with the project positively changed the way I do business	19	56	12	35%	3	9%	0	0	0	0	0	0
The training and advice I received from the project were delivered in a timely and convenient way	11	32%	22	65%	1	3%	0	0	0	0	0	0
The funds/equipment I received from the project were delivered in a timely and convenient way	3	9%	7	20%	5	15%	8	24%	3	9%	8	23%
The project has helped me to adapt my business to climatic risks	7	21%	10	29%	13	38%	4	12%	0	0	0	0
The project has enabled women to take on more leadership roles and/or access more employment opportunities in the business environment I operate in	7	21%	15	47%	8	25%	1	3%	1	3%	0	0
Economic volatility in Zambia affected my business	14	41%	16	47%	4	12%	0	0	0	0	0	0
Involvement in the project mitigated the impact of economic volatility	6	18%	17	50%	9	26%	2	6%	0	0	0	0

Annex 4 – Inception report



Midterm Evaluation of the Food Enterprises for a Developed Zambia Project (FED)

Inception report

Sida

27 November, 2023

Contents

1.	Introduction and background.....	3
1.1	Evaluation purpose and scope	3
1.2	Background	3
2.	FED theory of change.....	12
2.1	Review of existing theory of change	12
2.2	Suggestion for a theory of change relevant to the evaluation.....	14
3.	Observations on the evaluation questions:.....	17
3.1	Relevance	17
3.2	Effectiveness	17
3.3	Efficiency	19
3.4	Other	20
4.	Stakeholder analysis	21
5.	Approach and methods	23
5.1	Approach.....	23
5.2	Methods.....	24
5.3	How a utilisation focus and a gender-responsive approach will be applied.....	27
5.4	Limitations.....	28
6.	Workplan and team roles	28
Annex 1:	Evaluation matrix.....	32
Annex 2:	Interview guides and survey questionnaire.....	36
6.1	Interview guide for clients.....	36
6.2	Interview guide for FED staff.....	37
6.3	Interview guide for outside stakeholders	38
Annex 3:	Survey questionnaire.....	40
Annex 4:	Documents reviewed	45

Acronyms

BDSPAZ	Business Development Service Providers Association of Zambia
BOP	Bottom of the pyramid
CDF	Constituency Development Fund
CEEC	Citizen Economic Empowerment Commission
CEEC	Citizens Economic Empowerment Commission
COMACO	Community Markets for Conservation
EQ	Evaluation Question
FED	Food Enterprises for a Developed Zambia
FSD	Financial Sector Deepening
FSSC	Food Safety System Certification Scheme
GDP	Gross Domestic Product
GRZ	Government of the Republic of Zambia
HAACP	Hazard Analysis and Critical Control Point
IAPRI	Indaba Agriculture Policy Research Institute
KII	Key informant interview
LCMS	Living Conditions and Monitoring Survey
M&E	Monitoring and Evaluation
MCTI	Ministry of Commerce, Trade and Industry
MoFNP	Ministry of Finance and National Planning
MoU	Memorandum of understanding
MSME	Micro, small and medium enterprises
MSMED	The Ministry of Small and Medium Enterprise Development
NAIP	National Agriculture Investment Plan
NDP	National Development Plan
SBN	SUN Business Network
SGB	Small and growing business
SME	Small and medium-sized enterprises
SNAP	Second National Agricultural Policy
SOP	Standard Operating Procedure
ToC	Theory of Change
ToR	Terms of Reference
UNGP	UN Guiding Principles on Business and Human Rights
USADF	United States African Development Foundation
VC	Value Chain
WFP	World Food Programme
ZABS	Zambia Bureau of Standards
ZATP	Zambia Agribusiness Trade Project
ZCF	Zambia Cooperative Foundation
ZCSA	Zambia Compulsory Standards Agency
ZDA	Zambia Development Agency
ZESCO	Zambia Electricity Supply Company
ZMA	Zambia Metrology Agency

1. Introduction and background

1.1 Evaluation purpose and scope

The purpose of this evaluation is to assess the performance of the Food Enterprises for a Developed Zambia (FED) project and identify areas for improvement. FED has been implemented since 2020 and is intended to end in 2024. The terms of reference (ToR) propose that evaluation covers the period since the start of implementation until May 2023. We suggest that the scope be extended to the time period of data collection to maximise available data on results. The evaluation may include recommendations for course corrections during the remainder of the project and a possible extension.

The scope of the evaluation reflects the project's original and current theory of change (see section 2.1 below) and also reflects the evaluation team's interpretation of the prevailing assumptions in relation to a revised theory of change (see section 2.2 below).

1.2 Background

The Strategy for Sweden's Development Cooperation with Zambia 2018-2022 encompasses a number of goals that are reflected in FED:

Human rights, democracy, the rule of law and gender equality:

- Increased gender equality, particularly in terms of political participation and economic empowerment.

Environment, climate, renewable energy and sustainable, inclusive economic development and livelihoods:

- Sustainable use of natural resources, increased sustainable productivity, and production in agriculture, and increased resilience to climate change.
- Improved opportunities for sustainable livelihoods, with a focus on productive employment with decent working conditions, particularly for women and young people.
- Increased capacity to engage in sustainable trade, access to markets and value chains for small-scale farmers, entrepreneurs and businesses.

In accordance with Swedish development policy, the Strategy states: "The perspectives of poor people on development means that the situation, needs, circumstances and priorities of poor women, men and children will be the starting point for fighting poverty and promoting equitable and sustainable development." The Strategy furthermore states: "Sweden should support activities that promote sustainable processing and use of natural resources, better conditions for sustainable production, free and fair trade, strengthened and sustainable value chains, and access to financial services and technology for small-scale farmers, entrepreneurs and businesses. Sweden will help make markets more accessible for people living in poverty and

strengthen them in their role as producers and consumers. Cooperation with the private sector in this area may be further developed.”

It is clear that FED has been designed to reflect these goals. In this inception report we propose a framework for analysing the progress that FED has made and prospects for future achievements in relation to these strategic goals.

1.2.1 Background to FED

FED was initiated in 2020, a period when Zambia and its agricultural sector were being heavily affected by the COVID-19 pandemic. As the project had a short time span, of 3.5 years, the pandemic has had significant impact on the prospects for achieving objectives that were already quite ambitious at the outset. The COVID-19 pandemic had a major impact on FED’s start-up, as it did on Zambia as a whole. The economic effects of the pandemic forced Zambia to default on its public debts, which has had major impacts on the national economy. The economy appears to be stabilising now, but the problems for food processors are lingering.

FED was designed to address a well-defined set of obstacles facing food processors, emphasising access to formal markets, certification of processing methods and hygiene, and general lack of knowledge regarding markets and how to access them, thereby contributing towards increased trade. Though not expected to provide a comprehensive solution to lack of access to finance, FED was designed to ameliorate this major obstacle to productivity and profitability to a modest extent among its clients. Gender norms that restrict the growth and profitability of the majority of food processing firms owned by women were also to be addressed.

Nonetheless, there are a number of significant obstacles that remain outside the scope of FED to address. Electric power supply and general infrastructural deficits limit the ability of firms, especially micro-enterprises in isolated rural areas, to gain profitability. The stability and quality of agricultural production are additional major problems.

FED has therefore had to respond and adapt to both known risks and obstacles, and also unexpected factors such as the COVID-19 pandemic and the financial crisis. The evaluation will need to remain cognisant of these factors, particularly regarding how they impact on the ambitious theory of change for achieving results in a short time period and in terms of having lasting impact on the so-called bottom of the pyramid (BOP), poor entrepreneurs and their employees, women and youth, all of whom face particular obstacles in benefiting from market-oriented programmes and in ensuring their right to food.

1.2.2 Food processing in the wider agro-economy

Overview of the Agricultural Sector: The agricultural sector has been identified as one of the most strategic areas towards the achievement of the country's medium and long-term objective of macro-economic stability, growth, and diversified economic development. A consolidated approach to implement the country's long-term development policy objectives by prioritising agro-commercial based economic diversification has effectively demonstrated better results. For a period of ten years from about 2001, Zambia was one of the fastest growing economies in the region. This resulted in the World Bank classifying the country as a Lower Middle-Income country in 2011. Up to the year 2014, the country's National Gross Domestic Product (GDP) grew by up to 7% per annum. However, this relatively high economic growth rate did not continue in 2015 and beyond, when the country faced one of its most challenging economic woes in decades. The decline in copper prices on the world market, the high inflation rate, the severe droughts in 2015/2016 and 2018/2019 (which led to an energy crisis) and later the COVID-19 pandemic, all had a combined negative effect on GDP growth. The country's GDP growth was lowest in 2015 at 2.9%. It picked up in 2016 and 2017 at 3.6% and 3.8% respectively. However, the economic outlook is now looking more positive, largely on account of the recovery plan the country is implementing as well as the recently signed loans with the international donor community.

Although the agriculture sector engages the majority of the population in terms of livelihood, the economic growth has so far not had an inclusive effect on the agriculture sector, thereby contributing to the decline in the country's economic performance. The agricultural share of total GDP shrunk from 13.2 % in 2006 to 2.7 in 2019 (Government of the Republic of Zambia - GRZ, 2021). The decline is also translated to the decline in the agricultural value added per worker. There was also a decline in allocated budget to the agriculture sector due to the challenging macro-economic instability prompted by falling copper prices and revenue; decline in hydro-electric power generation caused by erratic rainfall; and debt servicing that is currently taking up 38.5 percent of the national budget (Indaba Agriculture Policy Research Institute - IAPRI, 2020; World Bank, 2020; GRZ, 2021).

Key challenges facing agro-food processors: Despite the critical position which the agro-food processing small and medium-sized enterprises (SMEs) occupy in the country towards contribution to the national economic development agenda, this subsector continues to face considerable inhibiting factors. These have resulted in the underperformance of the food processing subsector, making it difficult to reach its full potential. The inhibiting factors include: high interest rates; lack of collateral to enable entrepreneurs borrow and expand their businesses; poor access to technology; weak entrepreneurial culture; weak collaboration among indigenous businesses; and, insufficient information on the characterisation and performance of food processing SMEs across the country, disaggregated by rural/urban and food type, among others (Ministry of Finance and National Planning - MoFNP, 7NDP 2017-2021).

Supportive Policy and Institutional Framework: The Government of the Republic of Zambia (GRZ) has a supportive policy and strategic development framework towards the promotion of a robust food processing subsector in the country. The framework has been aimed at addressing the above stated challenges faced by the food processing subsector, thereby contribute to the unlocking of the subsector's full potential towards supporting the country's agriculture sector and economic development at large. GRZ's support to food processing has further been demonstrated by prioritising agriculture development through value addition. The last four National Development Plans (NDPs – i.e., from the 5th to the 8th)¹ have all placed a high premium on value addition in agriculture development through the development of functional food value chains. NDPs are important medium-term building blocks towards the realization of the Vision 2030 (V-2030, which is about *"a prosperous middle-income country by 2030"*). The V-2030 prioritizes agriculture value addition through processing/manufacturing. Selected NDPs and other strategic development frameworks have supported the country's food processing enterprises in various forms.

The Seventh National Development Plan (7NDP 2017-2021) was under implementation during the formulation of FED. The Plan emphasized the promotion of: agroprocessing as part of the entire agricultural value chain; participation of small and medium enterprises along different food value chains, and establishment of agroprocessing parks to convert primary agricultural commodities into value added products. One of the policy measures of the Second National Agricultural Policy (SNAP, 2016) was to promote private sector investment in agroprocessing and marketing. Similarly, the National Agriculture Investment Plan (NAIP 2014-2018) had value addition through food processing as one of its priority investment areas under the Market Access and Services Development Program.²

In a bid to accelerate the development of micro-small and medium enterprises in Zambia (including those dealing with food processing), GRZ created a new ministry in 2021 specifically for the purpose of dealing with the development of micro, small and medium enterprises (MSMEs). The Ministry of Small and Medium Enterprise Development (MSMED) aims to promote the development and growth of cooperatives, small and medium enterprises, in order to create jobs and wealth across the country. The ministry realises its objectives through various avenues including the Citizen Economic Empowerment Commission (CEEC). As a Statutory body, CEEC was established in 2006 through an Act of Parliament to promote broad-based economic empowerment in Zambia. The commission was brought under MSMED following the ministry's establishment in 2021. CEEC supports short- and medium-term financing, including enterprises dealing with food processing.

¹ The 5th, 6th and 7th NDPs were implemented in the following periods: (FNDP 2007-2012; SNDP 2011-2015, 7NDP 2017-2021).

² This was one of the four (4) main investment programs of NAIP, the other three being: Agricultural production and productivity improvement; Food and nutrition security and disaster and risk management, and; Sustainable natural resources management. NAIP also invested in Key support areas (such as Technology and innovation and Education and skills development) as well as cross-cutting issues (including: Gender, youth, and Regional development).

Apart from the Ministry of Small and Medium Enterprise Development, there are other supportive institutions that the government has established to promote agro-food processing SMEs and others. These include: the Ministry of Commerce, Trade and Industry (MCTI). The MCTI “is the main Government body responsible for facilitating a conducive business environment for inclusive growth and competitiveness of industry and commerce as espoused in the 8NDP and Vision 2030 thereby contributing to wealth and job creation” (MCTI, 2023).

Contribution and Characterisation of Agro-food Processing SMEs: Agroprocessing industries account for 84% (of which 90% are food processing) of total manufacturing output.³ According to the Zambia Competitiveness Survey (2018), SMEs (of which food processing constitutes a significant proportion), represent 97% of all businesses in the country. The Zambia Competitive Survey notes that the largest proportion of food processors are micro (33%), followed by small scale (26%), while large- and medium-scale food processors are at 25% and 16% respectively. An overwhelming majority of the food processing industries target the local market (84%) while the rest (16%) have access to the export market.

1.2.3 The landscape of services supporting food processing

In order to assess the theory of change of FED it is important to understand how the services provided contribute to the clients’ service provision needs and demands in relation to the other services available. The evaluation will also need to take into consideration prevailing gaps in service provision. Furthermore, even though the evaluation ToR contain no sustainability questions, there is an implicit need for the evaluation to inform consideration of possible exit strategies at the end of the current phase or after a possible second phase. The evaluation team interprets this to suggest the need to consider how the client base will access services in the long-term.

Support provided through a range of projects and existing institutions: An earlier evaluation of a Sida funded business development service support programme recommended anchoring such initiatives in an existing organisation rather than a project.⁴ It will be important for the evaluation to analyse why this was not a feature of FED. The evaluation team notes that the FED view on sustainability emphasises the sustainability of the enterprises supported, not the sustainability of the systems for service provision, per se.

Agricultural and business development services in Zambia are provided by a range of public, private, cooperative and civil society actors. In Zambia, as in many countries, the proportion of business development services provided by government agencies has been shrinking for many years, in relation to that provided by the private sector and civil society. These new services are

³ Zambia Vision 2030

⁴ White, Simumba and Munro 2008

not sufficient to respond to needs, and most MSMEs are unaware of the services available and are not accessing these services.⁵

Focus of most interventions and services is on producers rather than processors: Not surprisingly, agricultural services are primarily concentrated on producers, rather than processors. There is a long history of support to Zambian producer cooperatives, including Sida support, which has emphasised both technical extension services and marketing support, both of which have focused on farmers. Processors have received notably less attention, even though processors are responsible for much of the practices that will need to be implemented in order to increase access to markets, respond to changing/growing demand for agricultural products, and enhance profitability. This includes expansion to generate more employment opportunities. There is a growing shift of focus to value addition and access to supermarkets and export markets in the agriculture sector, which highlights the need for services to advise processors in how they may need to change practices.

In addition to FED, other business development services in Zambia include several areas.

- Project-based, often one-off training and awareness raising for, e.g., business digitalisation
- Large-scale investment services managed by the Zambia Development Agency
- Technical services provided in conjunction with credit facilities

By contrast, FED focuses largely on what is partially a different range of advisory services, with a strong emphasis on food quality, safety and certification. According to the evaluation team's initial assessment, FED seems to provide unique services in this regard, which are not available elsewhere. Other FED services relate to business operations and management, and provision of financing. These are not unique to FED but are seen to be essential as part of a package that FED's clients need to apply their new knowledge.

It is noted that in the last reporting period FED provided sector-wide training in horticulture for a group of producers. The evaluation will look further into the reasons for this departure from its agroprocessing focus to provide what appears to be a one-off agricultural extension training. Since FED only conducted two sector-wide trainings during the period, this activity constituted a significant proportion of FED activities.

The linkages between unique food quality services, more conventional business development services, and other services, will be explored further in the course of the evaluation, particularly in relation to the first evaluation question (EQ1). The evaluation team's initial assumptions about the niche and added value of FED within the landscape of services are that FED provides specific technical services that few (if any) other institutions provide. Access to capital is of

⁵ Mwaanga 2014

course not a service that is unique to FED, but it is seen as essential to have this capital readily available for the investments needed to apply the advice provided.

1.2.4 Food processing and poverty

Overview of poverty levels: Zambia has pursued poverty reduction interventions for at least the past five decades. The country registered a positive GDP growth for more than a decade from the early 2000 as noted in section 1.2.2 above. However, notwithstanding the high rate of economic growth and the various poverty reduction interventions which have been implemented for several decades, poverty levels remain high and the inequality in poverty levels between the rural and urban areas is still significant. For instance, the poverty rate in rural areas rose from 73.6 percent in 2010 to 76.7 percent in 2015 before declining to 59% in 2019. By contrast, in urban areas, the poverty rate fell slightly from 25.7 percent in 2010 to 23.4 percent in 2015 (World Bank, 2020; MNDP, 2020). Slight gender differences in prevalence of poverty also remain between male-headed and female-headed households. The 2022 Zambia Living Conditions and Monitoring Survey (LCMS) poverty assessment estimates that About 59 out of every 100 male-headed household compared to 63 out of every 100 female-headed households were poor (Zambia Statistics Agency, 2023).

Climate change has also contributed to poverty. It is estimated that between 1982 and 2016, the cost of two of the climate change events has been US \$ 610 million (with droughts at US\$ 438 million and excessive rainfalls and floods at US \$ 172 million).⁶ Over the next 10 to 20 years, climate change related losses in agriculture are expected to total between US\$ 2.2 and US\$ 3.1 billion. The rural poor hugely depend on the sustainable management of the environment and the stability of climate for their livelihoods. The negative effects of climate change, including shorter rainy seasons, more frequent droughts, higher temperatures and floods are on the increase. These events have significantly worsened the vulnerability of rural livelihoods and exacerbated poverty among marginalised groups.

Impact of agroprocessing on poverty: As already noted under “agro-processing in the wider agro-economy”, government’s support to agricultural value addition has been evident in all the four (4) past NDPs as well as other strategic development frameworks. Through the policy and strategic development frameworks implemented over the past nearly two decades, government has adopted a value chain approach towards the development of the agriculture sector. Emphasis has been placed on improved production, marketing, and processing (among other value chain stages). Increasingly, the government has realised the critical position played by food processing in value addition, employment creation as well as household food and income security. The value chain approach to agricultural development should ensure sustained production levels to feed the agro-food processing supply chain.

⁶ Ministry of National Development Planning, The Voluntary National Review Report of Zambia 2023

Government's strategy to develop the agricultural sector through the value chain approach has already shown positive results. For instance, the total agricultural value chain grew by more than 10% of GDP between 2007 and 2019. This performance was translated to an increase in food energy supply from 24-44kcal/capita/day between 2008 and 2012 and to 57kcal/capita/day in 2017 while the chronic malnutrition rate decreased to 30% (FAOSTAT, 2021).

Given the high dependency of rural households on agriculture for their livelihood, adding value to agricultural products would significantly impact the rural populations' economic well-being and significantly reduce the huge inequality in poverty rates between the urban and rural populations. Agroprocessing has the potential to accelerate job creation especially for women in both rural and urban areas, create forward and backward linkages in the entire national economy, leading to an increase in the agricultural sector's contribution to GDP for the benefit of the entire national economy.

SMEs in general (of which include agro-food processing), contribute hugely to the country's national Gross Domestic Product (GDP) estimated at 70% as well as contribute 88% employment in the country. Due to their nature, SMEs employ and provide livelihoods to the most vulnerable groups of the country's population, including women, youths, the rural population and the differently abled. According to the Zambia Competitiveness Survey, more than one fifth (21%) of those employed by SMEs are aged less than 25 years and just under one third (32%) of the employees are women. An estimated one third (30%) of SMEs are owned by women.

Although food processing SMEs have high potential in improving rural livelihoods through wealth creation, the subsector faces considerable constraints. Apart from the constraints mentioned in section 1.2.2 above, inadequate accessibility to clean electric energy has significantly hindered the desired growth of food processing SMEs in rural Zambia. Currently, less than half of the country's population (and 5% of the rural population) is connected to the country's electricity grid. By their nature, food processing SMEs need electricity to function and expand, so this has significant implications for the viability of enterprises in many rural areas.

1.2.5 Food processing and gender

The FED proposal reports that the Zambia Development Agency posits that women and men are equally involved in the food processing sector in Zambia. This is from the perspective of women being owners, employees and value chain actors. However, analysis from the perspective of industry size, the sector is deemed to be male dominated. Although there are a few of the larger businesses that are female owned, "the smaller the enterprise the more likely it is to have a female as the owner". It is therefore not surprising that the highest number of businesses in the SME sector are female owned.

Sector Identified Gender Gaps/Inequalities: FED project documents highlight gender gaps/inequalities in the sector with respect to the type of business, employment opportunities and gender-differentiated impacts of changes in the business environment.

Gender Gaps in type of Business: Female-owned businesses compared to those owned by males are further characterized as being:

- Largely rural based
- Product niche is in nutritional food products of agricultural commodities which include maize, rice and soya
- Use basic equipment such as hammer mills and hand-operated ram and screw pressing (oils)
- Lower levels of profitability

Inequalities in Employment: Women are generally employed in lower paid, lower skilled and casual (short-term) positions compared to their male folk. Women commonly take up job functions such as seasonal grading, labelling, packaging, administration responsibilities and marketing. Upper supervisory positions are largely usually occupied by men. This gap is further compounded by the fact that managerial positions such as quality assurance and food technology require tertiary education. Additionally, there is a perception that working with machinery is men's work.

Differentiated Impacts of Changes in Business Environments: FED's COVID-19 survey (2020) revealed that the epidemic had differential impacts on female and male enterprises. Specifically female-owned businesses faced significantly higher challenges than male-owned businesses. This is attributed to the fact that among the gender roles ascribed to women is that of care giving for the family which includes children and elderly relatives. When affected, COVID-19 increased the care burden for women. Apart from looking after the sick, there was the additional burden of looking after children due to lock down procedures, children could not go to school.

The downturn on business also resulted in lower profitability which forced redundancies. The lower-paid, labour-intensive, and seasonal jobs were usually the first to be affected.

Project Contributions to Gender Equality in the Sector: The following are the FED strategies intended to contribute to a more gender equal processing sector:

- Target to reach 50% women-owned enterprises

- Economically empower women as owners, employees and suppliers using lessons learnt from TechnoServe's global food processing portfolio and expertise from the Global Gender Practice⁷
- Ensure approaches are gender-sensitive and reflect the gender dynamics of the SMEs and value chains supported.

2. FED theory of change

2.1 Review of existing theory of change

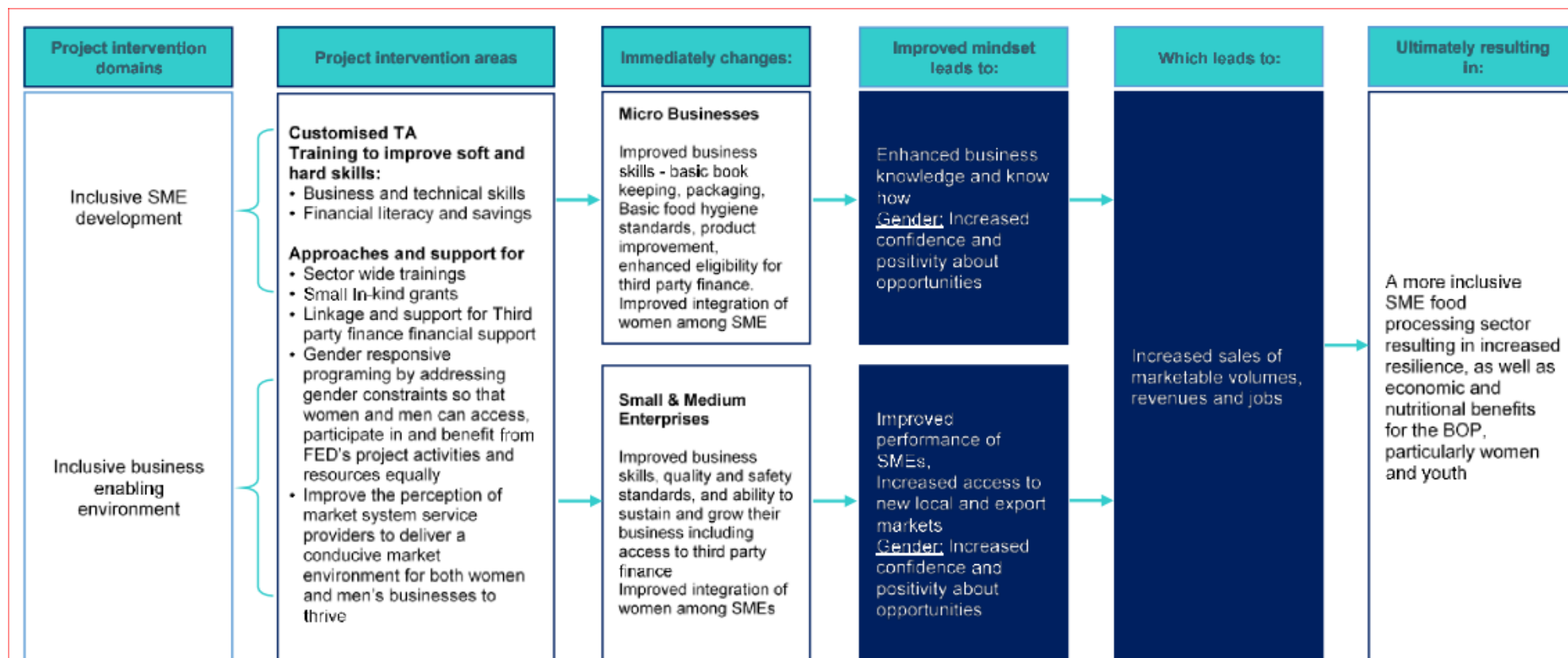
The FED theory of change (ToC) was revised in May 2023 to better reflect a realisation that expectations for increased revenue during the life of the project (and under the prevailing economic conditions) were overambitious. FED began with an emphasis on "quick wins" with relatively simple food safety activities, but it was becoming clear that more substantial changes would take more time.

Also, investments in food safety were, in the short-term, reducing their scale of operations and sales. Attaining higher standards in food safety and processing procedures has proven to require a shift in these enterprises from quantity to quality. Due to recognition of the magnitude of these changes, it was recognised that the micro enterprises being supported were only expected to increase their know-how in the short-term, but that increased production and profitability would be a longer process. By contrast, small and medium enterprises were still expected to gain increased access to new markets. These changes have led to reduction of the targets in the results framework.

The revised ToC is shown in figure 1.

⁷ At global level Technoserve has various technical resource pools, including the Global Gender Practice advisory unit with gender expertise that supports gender programming in various country projects, such as FED.

Figure 1: FED Revised ToC from FED Annual Report May 2022-June 2023



2.2 Suggestion for a theory of change relevant to the evaluation

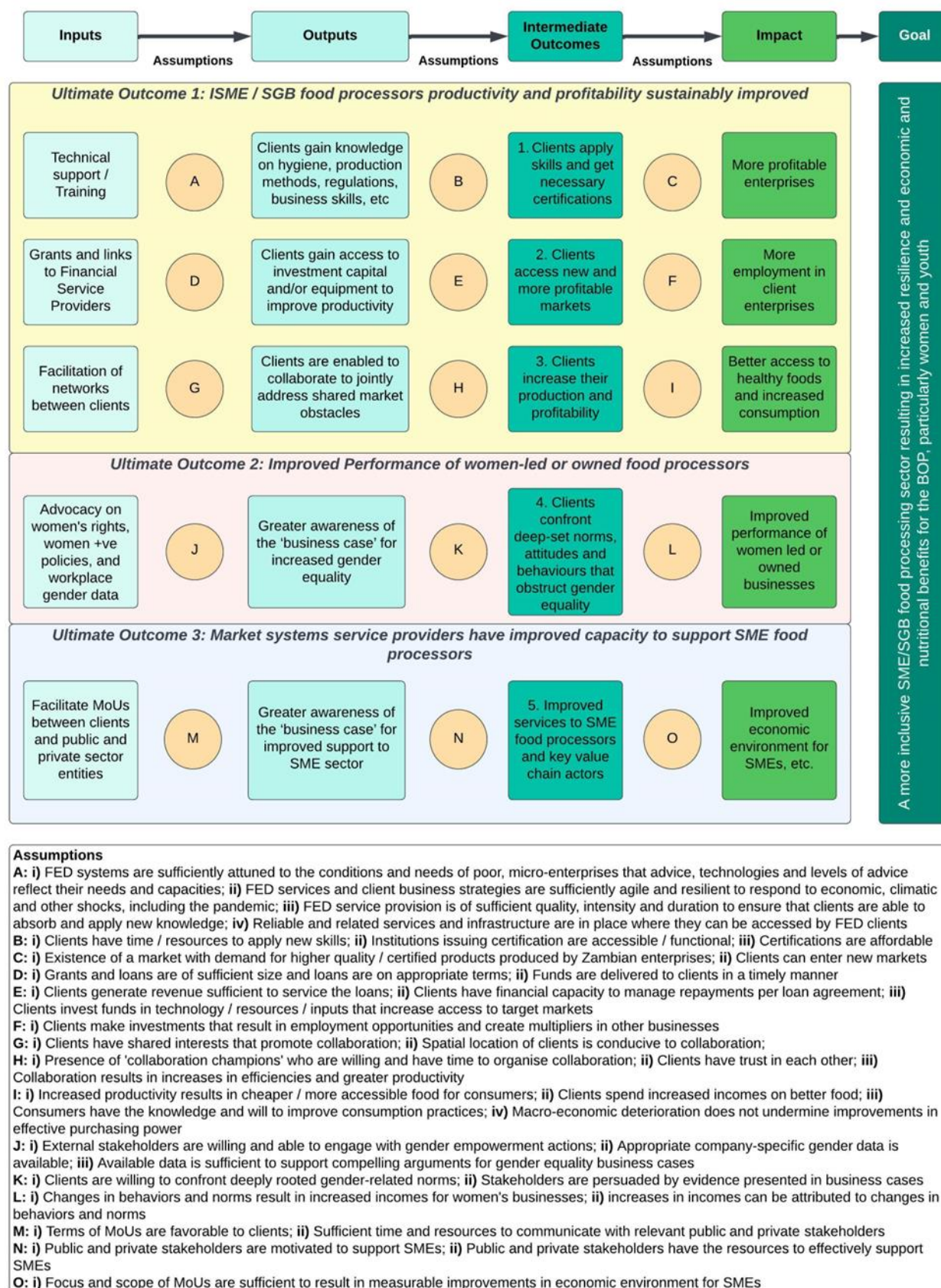
The evaluation team has developed the following ToC, highlighting the assumptions that will need to be tested in order to respond to the evaluation questions. **Many of the issues that will be in focus relate to what appears (to the evaluation team) to be highly ambitious aims in relation to four aspects:**

1. Spatial coverage, i.e., the national level scope with a significant focus on isolated areas
2. Timeframe for clients to absorb, adapt, apply and restructure their businesses
3. Intensity of advisory services required per client
4. Ability to ensure that complementary services (finance, infrastructure, producer training, etc.) to provide a basis for clients to apply learning and make needed investments

All four of these factors impinge on the underlying assumptions regarding how well the outcomes are achieved and how likely they will contribute to the overall goal. **Reporting describes numerous examples of the obstacles encountered that were beyond the scope of the project to address.** This includes both macro issues, such as the COVID-19 pandemic, and its impacts on the economy and ability to do business. It also includes micro-level issues, such as clients dropping out of the programme when the Zambia Electricity Supply Company (ZESCO) did not connect their businesses to the electricity grid.

Given the challenges faced, FED decided to focus on initial food safety related “quick wins” with simple improvements in facilities. These basic activities, largely related to hygiene, have established a strong focus on standards such as Hazard Analysis and Critical Control Point (HAACP) and Food Safety System Certification Scheme (FSSC). It appears that business management advice has played a lesser role. A question in relation to the ToC is that of how ambitions and practices have grown, based on this foundation of “quick wins”.

Figure 2: FED ToC – Proposed by Evaluation Team



Regarding Output 1, the evaluation team recognises that customised technical assistance is, as described in the project documentation, the “core” of the project. **In assessing what a realistic ambition level consists of, it will be important to critically assess (a) the possibility of FED maintaining a significant role in finance and sector-wide learning, and (b) how well FED and its clients are leveraging needed services from other sources.** For example, despite providing credit to its clients, it can be assumed that FED has no intention of becoming a bank and that it has a limited and transitional role in financial services (i.e., the provision of grants and linkage to institutions offering credit). It will be important to assess how FED sees its role, and how well FED is achieving its aims in ensuring that its clients have access to the capital they need to apply what they are learning from the core FED activity of customised technical assistance.

Outputs two and three respectively aim to improve the position of women in the workplace, and the way that SMEs are valued as entities that can contribute to economic development in Zambia. Both objectives are pursued through a combination of advocacy, training and facilitation of linkages.

Under the gender outcome (2), FED has developed a “gender action plan, which aims to ensure that businesses collect sex-disaggregated supplier data, employ more female staff, and have a work harassment policy, and sex-disaggregated change stations. The project has also supported the formation of a ‘Women in Agro Processing Association’. From an evaluative perspective, it will be important to assess the ability of firms to put the gender-positive measures in place, the impact they have on improving women’s position in the workplace, and the capacity of the association to effectively advocate for women’s rights and recognition within the sector.

Under outcome 3, TechnoServe has signed three memorandums of understanding (MoUs) with public institutions; the Zambia Development Agency (ZDA), the Zambia Bureau of Standards (ZABS) and the Zambia Cooperative Foundation (ZCF). These MoUs aim to support trade visits, develop relevant standards for food processors and provide a list of cooperatives that FED clients could possibly join. All three MoUs are underpinned by the assumption that these Government entities have the capacity and motivation to fulfil their roles per the ambition of the MoUs, and the evaluation will seek to assess the validity of this assumption. Considering this initial analysis, the evaluation proposes to address the evaluation questions based on assumptions (to be tested) in relation to the ToC, see figure 2.

3. Observations on the evaluation questions:

3.1 Relevance

EQ1: *To what extent have the project objectives and design responded to beneficiaries', partner needs, and priorities, and have they continued to do so if/when circumstances have changed?*

The analysis related to EQ1 will reflect a human rights-based approach and explore if and how the poor, including both small-scale processors and their employees and suppliers, have **contributed to the design of the programme**. This will include analysis of *who* is participating (different scales of enterprises, roles in the client businesses, women and men, youth, etc.) and procedures influencing *how* they have participated, particularly in ensuring that FED's customised technical assistance has been sufficiently customised to respond to their needs and capacities.

Their perspectives on the continued relevance of the project **during the current economic crisis, in response to the pandemic, and in relation to climate variability** will also be analysed. It is recognised that the development problems and factors affecting resilience of different categories of beneficiaries will vary. The relevance of the project design and support supplied will therefore be considered from the **diverse perspectives of women, men, youth, wealthier, poorer and any other relevant categories of rights-holders**.

The relevance of the service provision structures, including advocacy and MoU formation initiatives, will also be considered in relation to how they **contribute to the overall landscape of services** accessed by small-scale processors in Zambia. This includes whether the FED support fills a major gap in contributing to its goal of "increased resilience and economic and nutritional benefits for the BOP (bottom of the pyramid), particularly women and youth."

3.2 Effectiveness

EQ2: *To what extent are the interventions contributing to the project's three specific objectives? What are the reasons for the achievement or non-achievement of objectives and what lessons can be learnt from these?*

The three ultimate outcome objectives of FED are:

- SME/small and growing business (SGB) food processors' productivity and profitability sustainably improved
- Improved performance of women-led or owned food processors
- Market system actors have improved capacity to support SGB food processors

These outcomes are intended to lead to the overall goal: A more inclusive SGB food processing sector resulting in increased resilience and economic and nutritional benefits for the BOP, particularly women and youth. In the evaluation matrix below, we **propose indicators (see annex 1) for assessing FED contributions to the three objectives and the prospects for reaching the overall goal (notably in reaching the BOP)**.

Reporting emphasises the progress that has been achieved regarding the establishment of systems, selection of clients to receive customised technical assistance and other services, and initial sector-wide technical assistance. Given the early stage in implementation and delays due to the pandemic, there is limited evidence of actual impact on clients' businesses. The mid-term evaluation is therefore an appropriate juncture to **analyse emerging and actual outcomes of the services, so as to contribute to reflection on what may need to be redesigned or adapted.**

The evaluation will also assess the **effectiveness of the project from the perspective of both the contributions to the sustainability of the enterprises being supported and also of the potential sustainability of the service provision structures**, most notably the customised technical assistance and improved (e.g., not gender-discriminatory) access to finance and equipment, that have been created. This will include analysis of possible FED exit strategies that leave behind improved access to similar services.

Major factors affecting how well FED has been able to achieve its goals have been the COVID-19 pandemic and related micro- and macro-economic fallout. This clearly had major impact at the outset of the project. The evaluation will **analyse this from the perspective of the resilience of the project model, in particular its ability to retain a focus on productive, profitable, non-discriminatory and inclusive business practices amid these crises.** The success of the action is also underpinned by assumptions about the efficacy of measures put in place to enhance women's position in the workplace, and MoUs signed with public sector bodies; the evaluation will explore the validity of these assumptions based on emerging evidence. Based on this, lessons will be drawn regarding the extent to which the 'FED model' could withstand potential future shocks. As these cannot be predicted, this analysis may be somewhat explorative.

EQ3: *Has the monitoring and evaluation (M&E) system delivered robust and useful information that could be used to assess progress towards outcomes and contribute to learning?*

The initial reporting of FED accomplishments contains a mix of activity, output and outcome indicators. The evaluation will provide an opportunity to **take stock of the extent to which these indicators are relevant in relation to tracking the overall theory of change and the quality and effectiveness of specific services for different target groups.** This will include looking at the extent to which the M&E system can **capture how the project contributes to outcomes in a volatile economic context.** In order to judge the value of the M&E system, interviews with staff will be used to explore **if/how they have been able to learn from the data produced and apply lessons learnt** in implementation.

The quality and depth of reporting indicate that FED is a learning organisation. A number of adjustments and innovations are recorded in conjunction with the transition from the first to the second cohorts of clients receiving support, as well as in adapting to economic volatility and the COVID-19 pandemic. A question for the evaluation team will be to **assess the extent**

to which this is related to the quality of the M&E system, versus being reflective of good adaptive management.

Though not formally part of the M&E system, FED has commissioned technical consultancies to inform the direction of the project. It is proposed that the evaluation includes a light touch review of these consultancies in order to obtain a more holistic overview of how FED is **using technical inputs to support learning and adaptation to challenges and changes in its operating context.**

The evaluation will assess whether the **M&E system tracks and provides useful and applied information on how well the project is contributing to gender transformation** (see also EQ6). Initial review indicates that gender-disaggregated data is emphasised. This is important but is unlikely to be sufficient to inform about how well the project has succeeded in pursuing a gender transformative agenda, thereby contributing to changing the institutional structures that generate gender exclusion. The evaluation will analyse if and how the comprehensive gender analysis undertaken at the start of the project has been used to transcend a narrow focus on numbers of women clients and their productivity.

The annual reporting includes a number of well-considered lessons learnt. Furthermore, **in May 2023 adjustments were made to the ToC. As a “litmus test” of the utility of the M&E system, the evaluation will look at the extent to which the M&E system has fed into the analyses behind these lessons and adjustments.**

3.3 Efficiency

EQ4: *To what extent has the project delivered, or is likely to deliver, results in an economic and timely way?*

Efficiency will be assessed with due attention **to how FED has been able to adapt to the COVID-19 pandemic and general economic uncertainties and volatility.** In the inception phase we have explored the possibilities of comparing the costs of the programme to benchmarks of similar services. We found, however, that comparisons of this type were not possible due to the unique nature of FED services in Zambia. Attempts to draw comparisons would also be misleading given the diverse factors involved. Instead, in the course of the interviews with outside stakeholders the team will seek to identify examples of specific costs that may be comparable.

The evaluation will also undertake a limited sample of ten brief **return on investment case studies** to obtain a preliminary overview of the cost effectiveness of FED’s support. This is described further in section 4.2.1 below and considers benefits such as business growth as well as market access support.

3.4 Other

EQ5: *Has the project had any positive or negative effects on the environment? Could environment and climate change considerations have been improved in planning, implementation or follow up?*

Initial plans and reporting indicated significant attention to factors such as pollution and carbon emissions. The evaluation will **review the extent to which these plans have been implemented and whether they are aligned with national and global standards and reflect patterns of climate vulnerability in Zambia.**

The latest annual report has very little analysis related to the environment. It is important to trace the reasons for this. The evaluation will pay particular attention to the relevance of the approaches from a climate adaptation perspective, i.e., **whether processors are being enabled to better face growing climate risks and uncertainties and how this may be impacting on food security.**

It should be noted that the evaluation team will not be able to conduct an environmental impact assessment, but will instead focus on analysing the assessments and measures undertaken by FED.

EQ6: *To what extent is the project contributing to changing negative social and gender norms? Is the project gender transformative?*

Review of initial documentation indicates that **significant attention has been given to gender analysis and assessing outcomes, but it is not clear how insight from these analyses has been subsequently mainstreamed into programmatic approaches and modalities.** To become gender transformative, it would be essential not just to empower women processors, but also contribute to breaking down the institutional structures that generate gender exclusion. The evaluation will need to look closely at **if and how this more ambitious transformative agenda is being pursued** and whether the modalities are contributing to the (long-term) changes.

The ToR suggest pursuing possible additional questions and, in our proposal, we suggested adding the following overarching question.

EQ7: *Has the project been implemented in accordance with the poor people's perspective and a Human Rights-Based Approach?*

In answering this question, we propose that the evaluation analyses explore the **extent to which different categories of rights-holders have been able to exert influence on how the services have been selected and provided, including drawing conclusions regarding**

the extent to which the project as a whole contributes to the right to food. We will also analyse factors that may lead to exclusion in relation to discriminatory selection and effective support for different clients of the services and other impacts, such as on the employees of the enterprises supported. Special attention will be given to **identification of any categories of rights-holders who may not have been served by the project** (e.g., persons with disabilities, different ethnic groups, etc.).

The evaluation will look at eventual impacts on **encouraging the Government of Zambia to act in an accountable and transparent manner** to support agro-processing SMEs. Regarding the UN Guiding Principles on Business and Human Rights (UNGPs), it is recognised that the design of the project does not envisage significant engagement with the Zambian government to encourage them to undertake their duties and responsibilities in relation to business enterprises. Nonetheless, the UNGPs do recognise State's responsibilities **to ensure that businesses are aware of their duties and undertake due diligence. The evaluation will assess the extent to which FED is coherent with and complementary to these aims.** As part of attention to UNGPs, the evaluation will consider the extent to which **FED clients respect the ILO's Declaration on Fundamental Principles and Rights at Work**, e.g., in including consideration of working conditions, preventing child labour, etc. within the FED efforts to promulgate Standard Operating Procedures (SOPs).

4. Stakeholder analysis

Below is an overview of stakeholders that may be interviewed to obtain an overview of how FED contributes to the overall landscape of support to market-oriented agriculture and processing. Please note that the evaluation has not included any programmes in which NIRAS has been involved to avoid any perceived potential conflicts of interest.

Category	Organisation	Justification/role in analysis
Apex and meta BDS	Business Development Service Providers Association of Zambia (BDSPA)	Analysis of service provision landscape
	Zambia Development Agency (ZDA)	Analysis of service provision landscape
Producer organisation/cooperative	Zambia Cooperative Federation Zambia Limited	Analysis of service provision landscape
	Dairy Association of Zambia	Analysis of service provision landscape

BDS	Prospero	Understand differentiation of roles with similar service providers
	Zambia Bureau of Standards	Understand quality standards conformity relative to other service providers
	Zambia Agribusiness Trade Project (ZATP)/ MarketConnect	Understand differentiation of roles with similar service providers
	SheTrades	Understand differentiation of roles with similar service providers
	ENTERPRISE Zambia Challenge Fund	Understand differentiation of roles with similar service providers
	Green Innovation Centres for the Agriculture and Food Sector in Zambia	Understand differentiation of roles with similar service providers
Business Policy Environment	Zambia Association of Manufacturers	Understand business operating environment – opportunities/barriers to business growth
	Ministry of Small and Medium Enterprises	Understand business operating environment – opportunities/barriers to business growth
	Ministry and Commerce Trade and Industry	Understand business operating environment – opportunities/barriers to business growth
Civil Society Organisations	Community Markets for Conservation (COMACO)	Analysis of service provision models
	World Food Programme (WFP)/SUN Business Network (SBN)	Analysis of service provision models
	IAPRI	Overview of agro-economy
Financial services	United States African Development Foundation (USADF)	Understand scope of available funding to SME's
	Constituency Development Fund (CDF)	Understand scope of available funding to SME's
	Citizens Economic Empowerment Commission (CEEC)	Understand scope of available funding to SME's
	Financial Sector Deepening (FSD) Zambia	Understand scope of available funding to SME's

Regulators	Zambia Compulsory Standards Agency (ZCSA)	Understanding business enabling environment
	Zambia Metrology Agency (ZMA)	Understanding business enabling environment

5. Approach and methods

5.1 Approach

We propose that the overall approach to the evaluation be **theory-based with a strong emphasis on understanding if and how the assumptions (explicit and implicit) in the FED theories of change (initial and current) have been correct**. This includes verifying the evaluation team's revised ToC presented in section 2.2 above. Analyses will thus be made of the relevance and effectiveness of FED in relation to: (a) how realistic the ambitious goals have been; (b) the extent to which there has been an efficient effort to work towards these goals; (c) how well targeted approaches have been in relation to the rights, needs and capacities of different clients; and (d) how the context (including factors such as the macroeconomy and the pandemic) has affected prospects for accomplishments. It is hoped that this analysis will thus inform FED and Sida's considerations regarding an eventual second phase.

Given the major impact of the context, and the challenges that processing firms face within their business operations, we will **combine the theory-based approach with a focus on sensemaking**. This implies major attention to how FED's clients, staff and informed outside observers perceive the **value of FED's inputs in light of their own ongoing struggles to make businesses profitable, productive and sustainable**.

FED applies a mainstreaming /gender responsive approach and particularly emphasises narrowing gender gaps in terms of participation and access to opportunities for business and capacity enhancement. The evaluation will review this progress and also explore opportunities for the project to contribute towards gender transformation. Transformation implies changing deep-set institutions, attitudes and behavioural norms. This will therefore entail looking at **how women entrepreneurs see the relevance and effectiveness of FED support in relation to the barriers they face and their struggles to overcome structural hinderances**. This implies that the evaluation's analysis will need to also focus on how the institutions are evolving and how FED could in the future contribute to the changes that may be needed to increase potential for gender transformation.

5.2 Methods

The main methods proposed for the evaluation will be those of the **outcome harvesting toolbox**. This will include **most significant change** methods wherein clients will be asked what has changed in their enterprises over the past two years (both positive and negative) and the reasons for these changes. It is expected that some (but not all) of these changes will be traceable to FED, whereas others will relate to the volatile context. This data will be used to understand the drivers behind changes in the business environments and **if/how FED has contributed to making enterprises stronger and more resilient, including differential impacts on the BOP and better off clients**.

These questions will be followed up in discussions with FED staff and informed outside observers and stakeholders regarding how FED and others providing support to the sector are managing challenges and pursuing opportunities related to the clients' business trajectories.

Comparisons will be made in relation to the following:

- Trends facing medium-, small- and micro-enterprises respectively
- Businesses based in urban/accessible areas versus those in rural/isolated locations
- Businesses owned by women and men
- Types of enterprises (categories to be determined as relevant)

Furthermore, interviews will be made with other agro-business service providers to obtain an overview of the niche and integration of FED in relation to the broader service landscape.

Below we describe the data collection techniques that will be applied in order to gather data that can be triangulated and applied to the evaluation questions:

Document and database review: The evaluation has begun with analysis of existing reporting and a light review of FED's existing data to build an understanding of the composition of funded SMEs and how monitoring and evaluation reflect the initial aim and objectives of the project. The evaluation team has also undertaken a review of existing literature on trends in agro-services and food processing in Zambia, as well as recent trends related to the agro-economy more generally and the effects of the pandemic. The comparison with other approaches serves to identify lessons learnt that potentially could be replicated within the FED.

5.2.1 Business diagnostics

In order to obtain an overview of the economic benefits of FED support the evaluation will undertake a series of ten brief case studies on the return on investment which will be analysed in relation to the overall costs of service provision. As data is limited to six quarters, the selected cases will derive from the first cohort of clients receiving FED support⁸, where we are able to

⁸ There have been two cohorts of FED clients. The first (40 clients) began receiving customised technical assistance over a twelve month period in September 2021. The second cohort of 63 clients began receiving technical assistance in January 2023.

compare data for the first and second quarters for year 1 and year 2. Mindful that the data is limited and subject to annual fluctuations, we will assess the following indicators:

- Volume produced
- Revenue for sold items
- Percentage of produce kept versus sold (where relevant and where data exists)
- Number of employees
- Consideration of any tangible documents indicating increased market access (certifications obtained and/or infrastructure in use)
- Resilience aspects such as income diversification/new customer agreements
- Social aspects such as number of new employments created and their gender balance
- Sustainable production and processing practices
- Market linkages
- Access to support systems

5.2.2 Interviews with clients

Interviews with clients will include both an **e-survey** (described further in section 5.2.6 below and annex 3) to obtain quantitative data on overall client perspectives. Further **key informant interviews (KIIs) will be used to explore more deeply** how different categories of clients perceive the value of FED for their work, how this supports their resilience, who they see as benefiting from FED support and how the project is contributing to the right to food. A Most Significant Change will be applied to understand how their businesses are evolving and what FED may have contributed to these changes. Particular emphasis will be given to changes in gender roles and the quality of employment that the enterprises are generating.

5.2.3 Sampling for key informant interviews

For the KIIs, clients have been selected across all the four regions where FED is operating.⁹ This constitutes six (6) out of the ten (10) provinces of the country, selected based on the concentration of the enterprises. The provinces to be visited are Lusaka, Copperbelt, Southern, Western, Central and Northwestern. A total of thirteen (13) districts have been targeted across the six provinces.¹⁰ Of the districts to be visited, four (4) are city councils, three (3) are municipal councils and the rest (or six) are town or rural councils. The three major categories of the country's districts provide different socio-economic environments which have a bearing on the performance of the enterprises.

⁹ The four 4 regions are: Southern/Western, Lusaka/Central, Copperbelt, and Northwestern

¹⁰ The districts selected are **City councils** – Lusaka, Ndola, Kitwe, Livingstone; **Municipal councils** – Mongu, Solowezi, Kabwe; **Town/Rural Councils** – Sesheke, Lukulu, Mufumbwe, Kalumbila, Kapiri Mposhi and Mumbwa.

A total of thirty (30) enterprises have been selected for client engagement across the 13 districts. The selection of the 30 enterprises has been based on the following criteria, the major ones being:

- a) **Female-owned enterprises:** At least 60% female owned enterprises have been targeted to ensure gender representation in enterprise ownership. Given that the majority of women clients own micro-enterprises, engagement of enterprise owners will lean towards micro enterprise owners. This is in a bid to capture the poverty dimension as well as the formalization processes.
- b) **Representation from various value chains:** A wide range of value chains (VCs)¹¹ have been targeted in order to assess the performance of these VCs, given their differing characteristics and business opportunities.
- c) **Selection of enterprises from both cohorts:** Since the focus of the two cohorts of clients in terms of the nature of VCs and their performance was somewhat different, the team has selected enterprises from both cohorts to facilitate learning across the two.
- d) **Certification process:** Enterprises that have been certified and those striving to be certified have been selected. This has been done in order to appreciate the challenges and benefits that go with certification.
- e) **Central Business District enterprises:**¹² A few of these have been included in the sample to provide an understanding of the impact of location on the enterprise performance.

5.2.4 Interviews with other stakeholders/observers

The evaluation team will also carry out approximately ten to fifteen KIIs with other **stakeholders, from government, civil society and the private sector, who are part of the landscape of services** supporting food processors in Zambia. The evaluation will also interview **outside observers, such as researchers and other knowledgeable individuals**, who can provide perspective on FED's work.

Please see section 4 above for an initial stakeholder analysis. This will be expanded in the course of the evaluation as further information is gathered regarding the agroprocessing landscape.

¹¹ Value chains include fruits and vegetables (processing, drying), honey, edible oils, mealie meal (hammer mills – by ZCF, other millers), cashews (Lusaka and Western Province), beverages (Chiwantu in Serenje), chiles, and tea.

¹² These are enterprises located within the main trading and business areas of cities (Lusaka, Kitwe, Ndola, Livingstone) and major towns (Mongu, Solwezi, Kabwe).

5.2.5 Interviews with FED staff

FED staff will be interviewed in order to **understand the journey that FED has taken since it was initiated and how they ‘make sense’ of the prospects for supporting their clients going forward**. A major focus on these semi-structured KIs (see annex 2 below) will be to obtain their perspectives on the ToC proposed by the evaluation team described in section 2.2 above, as well as the FED official ToC, including how they are managing the highly ambitious programmatic assumptions.

5.2.6 E-Survey

The evaluation team will apply an e-survey to all clients via email.¹³ The e-survey (Annex 3) will, through a series of Likert-scale questions, provide a general overview of clients’ perceptions on the relevance, effectiveness, and efficiency of the interventions received, as well as their suggestions for improvement. As the responses will be received before field work commences, the findings will also guide the evaluation team in selecting specific clients/businesses for more detailed data collection.

5.3 How a utilisation focus and a gender-responsive approach will be applied

As this evaluation will feed into course corrections and eventual plans for future phases and initiatives, it is essential that the **entire evaluation process is used to contribute to joint, critical reflection on key findings and their implications**. The evaluation team will use the inception workshop, a mid-term check-in with FED leadership and Sida, and the debriefing at the end of the fieldwork for discussing the validity of emerging findings and areas where the evaluation team should adjust its lines of enquiry. This is particularly important in order to arrive at feasible, actionable recommendations that reflect both **strict adherence to the principles of FED and Sweden’s country strategy, and also what is possible within the constraints of this type of service provision support in the Zambian context**.

A gender-responsive approach will be anchored in an **understanding of how Zambian gender norms are reflected in the clients’ businesses and in the agricultural service provision landscape**. This will involve a focus on both **what FED does**, in relation to addressing gender related factors that may obstruct inclusion/empowerment of women at the different levels and spheres of business enterprises and also **how FED works**, in the relevance of its working methods and programmatic design so as to be strategically ‘positioned’ to drive gender related transformational changes in attitudes and behaviour.

¹³ The survey will use the ‘SurveyMonkey’ platform and will be sent out to 101 clients based on a list provided to the team during inception. Email reminders will be sent to non-responders at two points before the closure of the survey.

5.4 Limitations

An overall limitation to the evaluation is that of considering causal inference regarding FED's influence on the clients and the agro-economy given the devastating effects of the COVID-19 pandemic on businesses and the broader economy. The evaluation will need to have a strong 'sensemaking' frame of reference to understand how clients perceive FED's contributions to their resilience and also what they suspect would have been their achievements if the pandemic had not occurred.

Related to this, the evaluation will assess the extent to which the M&E system has been able to adapt to analysing the volatility and unpredictability of FED's response to the pandemic. As such, the challenges faced in collecting data that reflects these factors will be both an issue for analysis and presumably a limitation (given that the evaluation will be partially reliant on FED's own primary data collection).

FED's plans and timeframe would have been highly ambitious even without the impacts of the pandemic and financial crisis. As a mid-term evaluation, the analysis will recognise that the extent to which outputs were expected to have led to the intended outcomes may not have been feasible at the outset. The evaluation will approach this in a formative manner by engaging with the FED staff in reflection over the ToC and how it might be modified, as well as emphasising lessons that can be learnt regarding if and how these kinds of services can be enhanced through relatively short-term projects.

As noted in relation to EQ5 above, the evaluation team will not be able to conduct an environmental impact assessment, but will instead focus on analysing the assessments and measures undertaken by FED.

6. Workplan and team roles

Name	Role	Responsibilities
Ian Christoplos	Team Leader	As Team Leader, Ian will be responsible for organising and implementing the services requested in the ToR, in line with the methodology, schedule and budget proposed in the tender. This includes: • Leading all meetings with the Embassy representatives, TechnoServe and stakeholders, as well as participation in meetings as appropriate; • Coordination of and contribution to the desk study review, refinement of the methodology and elaboration of the draft and final Inception Report; • Development of tools and methods for data collection, coordination, and leading the data collection and analysis process; • Primary responsibility for debriefing/reflective/validation meetings; • Primary responsibility for report writing and presentation of evaluation findings, results, and recommendations.

Mike Brewin	Senior evaluator	Mike's role includes: • Refinement of the methodology and elaboration of the inception report; • Participation in the desk study review; • Leading the e-survey; • Contributing to the development of tools and methods for data collection; • Conducting interviews, workshops, reflective learning session and other activities in selected provinces; • Advising and assisting partner organisations to complete self-assessments and conduct rights-holders data collection; • Analysis of Report writing, recommendations and presentation of evaluation findings, results.
Stephen Temba	National evaluator/agricultural economist	Stephen's role includes: • Ensuring that the analysis reflects broader trends in the Zambian agro-economy; • Conducting interviews, workshops, reflective learning session and other activities in selected provinces; • Reviewing relevant quantitative aspects of the M&E system; • Assessing efficiency based on selected indicators; • Reviewing diagnostics applied in the project and assess in relation to broader Zambian experience.
Patricia Mtonga Mukumbuta	National evaluator/rural development and gender specialist	Patricia's role includes: • Ensuring that the analysis reflects broader trends in the Zambian women's economic empowerment; • Conducting interviews, workshops, reflective learning session and other activities in selected provinces; • Assessing the integration of gender into project design and M&E systems; • Analyse service provision structures in relation to overall landscape of rural and agro-processing services.
Ella Lundström	Business analyst	Ella's role includes: • Reviewing FED diagnostics of individual enterprises; • Undertaking ten in-depth analyses of client businesses; • Assessing relevance of FED support in relation to the structure and needs of the enterprises, taking into account the prevailing trends in Zambia's agro-economy; • Where possible, assess the effectiveness of support in addressing key areas of need in the enterprises.

The evaluation process will consist of the following steps:

Inception phase (September-November):

- The inception phase began with introductory meetings with FED staff and collection of documentation for initial review, as well as initial analysis of the FED monitoring data.
- With support from FED, the evaluation undertook a stakeholder analysis (see section 4 above) that will then be used to prioritise interviewees and obtain an overview of the working environment for FED.

- The evaluation team has reviewed the results framework and drawing on that has proposed a framework for the evaluation team to analyse against the evaluation questions. This analysis has provided a basis for identifying the indicators to be used in the data collection. These are summarised in the evaluation matrix presented in annex 1 below.
- Methods (see section 5.2) and data collection tools (see annex 2) have been developed.
- In consultation with FED staff, the evaluation team has done a sampling of provinces and districts to be visited in the course of the evaluation (see section 5.2.3).
- This inception report has been prepared and will be discussed in an inception meeting, tentatively on November 27. The report is to be shared with Sida and FED, i.e., the Evaluation Steering Group, for comments on November 9th. Comments will be provided by November 23rd and the report will be finalised by November 30th.

Data collection phase (December-January):

- Data collection in the form of the e-survey has begun, simultaneously with the finalisation of the inception report. This has been done in order to obtain this initial data before the start of the field and to see if the tools need to be adapted in any way.
- Field level data collection among clients will begin December 5-15 and continue between January 15 and February 5. Clients and other stakeholders will be visited in accordance with the sampling plan described in section 5.2.3 above. Stephen and Patricia will lead the initial field level interviews.
- At the end of January Mike and Ian will come to Lusaka to continue the data collection among clients, as well as interviewing other stakeholders and FED staff.

Verification, analysis and reporting phase (February-March):

- At the end of the fieldwork, tentatively on February 6th, the team will conduct a debriefing/validation workshop with the Evaluation Steering Group.
- Analysis of the data will focus on understanding the 'contribution story' related to current and plausible future outcomes, as well as understanding the role of FED in the landscape of services accessed by clients.
- A draft evaluation report will be prepared and submitted on February 22nd. Comments will be received by March 12th and the final draft of the report will be provided by March 26th.
- A virtual seminar on the evaluation findings, conclusions and recommendations will be held shortly after the final report is approved.

Preliminary work plan 2023-24

2023-24								September				October				November					December				January				February				March				
	IC	MB	PMM	ST	EL	PM	QA	w36	w37	w38	w39	w40	w41	w42	w43	w44	w45	w46	w47	w48	w49	w50	w51	w52	w1	w2	w3	w4	w5	w6	w7	w8	w9	w10	w11	w12	w13
Inception Phase																																					
Start-up meetings (virtual) Sep 13	0.5	0.5	0.5	0.5	0.5	1																															
Documents review and methods development	3	3	1	1	1																																
Initial exploratory interviews	3	2																																			
Drafting inception report	3	1																																			
Quality assurance & finalisation						1	1																														
Submission of inception report Nov 9																																					
Comments/no-objection sent by Stakeholders Nov 23						0.5																															
Inception meeting Nov 27	1	0.5	0.5	0.5	0.5	0.5																															
Finalisation of inception report	2	1	1	1	1																																
Submission of inception report Nov 30						1																															
Approval of inception report Dec 4																																					
Data Collection Phase (Dec 5-Feb 6)																																					
Document review	5	5	1	1	5																																
key information interviews (skype /telephone/in Lusaka)	7	7	2	2																																	
Preparation for field work			1	1																																	
Field visit to Zambia (inclusive travel)	8	8	16	16																																	
Additional documents review	6	4	1.5	1.5	1																																
Debriefing and initial feedback meeting Feb 6	1	1	1	1		1																															
Data Analysis and Reporting Phase																																					
Report writing	8	5	3	3	1																																
Quality assurance and finalisation						1	1																														
Submission of Draft Report Feb 22						1																															
Comments from stakeholders on draft report March 12																																					
Finalization of the report	3.5	2	1.5	1.5	0.5	2																															
Submission of Final Report March 26																																					
Approval of Final Report to be determined																																					
Total days	51	40	30	30	11	9	2																														

Initials: IC=Ian Christoplos, MB=Mike Brewin, PM=Patricia Mtonga Mukumbuta, ST=Stephen Temba, EL=Ella Lundström, PM=Christina Thomsen, QA=Ted Kliet

 Christmas holidays

Annex 1: Evaluation matrix

Evaluation question	Indicators	Methods and data sources	Assumptions and observations
<u>EQ1 (Relevance)</u> <i>To what extent have the project objectives and design responded to beneficiaries', partner needs, and priorities, and have they continued to do so if/when circumstances have changed?</i>	Clients' perceived engagement in programme design (disaggregated according to gender of owner, business size, age) Clients' and FED staff's perceptions of adaptability to economic, COVID-19 and climatic vulnerability (disaggregated according to gender of owner, business size, age) Clients' and FED staff's perceptions of the relevance of FED's niche in relation to other available services (disaggregated according to gender of owner, business size, age)	Survey, KIs, reporting and technical consultancy reports Most significant change methods triangulated with quantitative analyses of survey results	Risks of positivity bias Extent of impacts and response to COVID-19 and economic crises may not be reflected in reporting
<u>EQ2 (Effectiveness)</u> <i>To what extent are the interventions contributing to the project's three specific objectives? What are the reasons for the achievement or non-achievement of objectives and what lessons can be learnt from these?</i>	Indicators of "SME/SGB food processors' productivity and profitability sustainably improved" (disaggregated according to business size, age) include: • Changes in clients' production and profitability • Changes in access to different markets related to markets, quality, quantity and certification • 'Warning signs' noted regarding trends in productivity and profitability Indicators of "Improved performance of women-led or owned food processors": • Analyses of same data set as above, disaggregated according to gender	Survey, KIs, return on investment study Most significant change methods triangulated with quantitative analyses of survey results	Given the short time the programme has been running, effectiveness may not be possible to confirm. Some findings may emphasise stakeholders' perception of trends rather than actual results. The evaluation will focus on prospects for effectiveness over time, and with that the realism of becoming effective given the scope and timeframe of FED. Analysis of effectiveness related to the overall FED goal to be addressed in the evaluation conclusions, with particular recognition of the timeframe for achieving

	Indicators of "Market system actors have improved capacity to support SGB food processors": • Perceived changes in service provision landscape as noted by different categories of stakeholders (clients, FED staff, other service providers, outside observers), categories to be determined when analysing data • Differentiated trends from types of services and potential access by different categories of rights-holders • Perceived sustainability of access to different services and FED's contributions to increased (or decreased) sustainability • Outcomes perceived to have resulted from collaboration initiated through the signed MoUs Indicators related to the prospects of achieving "A more inclusive SGB food processing sector resulting in increased resilience and economic and nutritional benefits for the BOP, particularly women and youth." • Synthesis of data and analysis above		these goals and lessons regarding the realism and scope of the programme.
EQ3 (Effectiveness) <i>Has the M&E system delivered robust and useful information that could be used to assess progress towards outcomes and contribute to learning?</i>	Comparisons of M&E outputs with information FED staff state that they need and use Cases/examples of adaptive management in relation to the impact of the pandemic and economic crisis and M&E system's contributions to this management FED staff's (and if relevant, other stakeholders') perceptions of the utility of technical consultancies	FED staff KIs Contribution analyses of specific cases (e.g., impact of influence of technical consultancies, changes in gender transformation approaches and changes in the ToC)	Will require analyses of overall FED information management processes

	Quality of M&E system's gender-related outputs as related to key areas of gender transformation (specific indicators to be developed iteratively, based on further discussions with FED staff) Examples of M&E system influence on changes to the original ToC		
<u>EQ4 (Efficiency)</u> <i>To what extent has the project delivered, or is likely to deliver, results in an economic and timely way?</i>	If/where possible benchmarking against specific costs of other services (to be determined based on availability of data) Return on investment based on analysis of the benefits achieved	KIIs, document analysis, return on investment study	Uncertain whether comparable data will be accessible to undertake benchmarking analysis.
<u>EQ5 (Other)</u> <i>Has the project had any positive or negative effects on the environment? Could environment and climate change considerations have been improved in planning, implementation or follow up?</i>	Comparison of original plans for climate change related initiatives, changes referred to in the FED inception phase and current practice Comparison of FED practice with relevant national and global standards Examples of contributions to clients' capacities to adapt and respond to climate risks Examples of clients' increased/decreased capacities to contribute to food security	Survey, KIIs, document review Most significant change analysis	Extent to which these aspects have been documented is uncertain. The evaluation will not be able to undertake an environmental impact assessment due to lack of resources and probable lack of data.
<u>EQ6 (Other)</u> <i>To what extent is the project contributing to changing negative social</i>	Examples of FED contributions to women clients' voice in fora where decisions are made related to market access (e.g., cooperatives, government committees, etc.)	Survey, KIIs, document review Most significant change analysis	The design of FED suggests that direct impacts on the gender transformation agenda and its contribution to breaking down institutional structures that

<i>and gender norms? Is the project gender transformative?</i>	Examples of changes in legislation or regulatory mechanisms that have been informed or influenced by FED Examples of where FED has contributed to changes in attitudes of clients and other stakeholders regarding women's engagements in different aspects of agroprocessing enterprises		generate gender exclusion may be difficult to trace.
<u>EQ7 (Other)</u> <i>Has the project been implemented in accordance with the poor people's perspective and a Human Rights-Based Approach?</i>	Examples of different categories of rights-holders influencing selection of types of services provided and clients Examples of how the enhancement (or weakening) of clients' production and profitability have contributed to the right to food among the BOP through greater access to healthier foods, increased income, cheaper foods, or other factors Analysis of client selection to identify categories of rights-holders that may have been overlooked (e.g., certain ethnic groups, isolated rural populations, persons with disabilities) and reasons for possible omission Review of FED encouraged business practices and outputs (e.g., SOPs) in relation to ILO's Declaration of Fundamental Principles and Rights at Work	KIIs, document review Most significant change analysis	The design of FED suggests that direct impacts on the right to food and other factors related to this EQ may be difficult to trace. Also, it does not appear that FED design has been informed by Sida's HRBA guidelines, which indicates that this EQ should be approached in a highly formative manner to inform future programming.

Annex 2: Interview guides and survey questionnaire

6.1 Interview guide for clients

Begin by introducing the topic of the evaluation and assuring that all responses will be anonymous. Explain that the evaluation will be used to provide advice on improving the current or future programme. The interview is expected to take approximately one hour.

Name:

Gender:

Age:

Sales revenue in 2020 and currently:

Number of employees in 2020 and currently:

Rural or urban district:

Province:

Other notable factors (unique business niche, led by ethnic minority, led by person with disability, etc.):

Were you involved in discussions about the kinds of services provided by FED or other aspects of the programme? If so, how?

How well do you feel that FED has adapted the services provided to the COVID-19 pandemic, the financial crisis or any other shocks that have occurred over the past three years?

Are there other factors affecting the markets for your products that have influenced your ability to use FED services?

Does FED provide unique services that you are unable to access elsewhere? If not, who is providing similar services?

Will you need to access similar services after FED support? If so, how do you expect to access those services?

Has your business increased production over the past three years? If so, how? Did FED services contribute to this, and if so, how?

Has your business increased its profits over the past three years? If so, how? Did FED services contribute to this, and if so, how?

Have you hired more staff over the past three years? Did FED services contribute to this, and if so, how?

Have there been any significant changes in the position of women in your firm, including changes in the role of women employees? Did FED services contribute to this, and if so, how?

Have you noted changes in attitudes towards women's roles in processing more generally? Did FED services contribute to this, and if so, how?

How does your business ensure the well-being of its staff? Has FED contributed to this?

Do you apply standard operating procedures to ensure staff well-being? Has FED contributed to this?

How do you see your business' role in contributing to better nutrition among customers? Has FED supported this? If so, how?

Has FED helped you respond to climate/environment/pollution factors affecting your firm?

6.2 Interview guide for FED staff

Begin by introducing the topic of the evaluation and assuring that all responses will be anonymous. Explain that the evaluation will be used to provide advice on improving the current or future programme. The interview is expected to take approximately one to two hours.

Name:

Gender:

Age:

Position and role within organisation:

Time employed in TechnoServe/FED:

In retrospect, do you feel that FED has had an appropriate approach for addressing the needs of its clients?

Do you feel that FED has had an appropriate level of ambition? If not, why and what would be more appropriate?

What is the most important outcome that FED has achieved and why?

In what areas has FED encountered greatest challenges, why, and what could be done to address these?

What (if any) major achievements have been made regarding:

- Increasing clients' profitability?
- Increasing clients' market access?
- Generating more employment in client enterprises?
- Changing attitudes and women's roles in agroprocessing?
- Ensuring services reach and/or impact on the BOP?
- Reaching micro-enterprises and other businesses that have lacked access to needed services?
- Creating an environment for sustained access to services?
- Improving access to nutritional food?
- Improving working conditions and respect for workers' rights?
- Responding to climate and environmental factors facing clients?
- Adapting to 'shocks' such as the COVID-19 pandemic and the economic crisis?

Do you feel that FED's M&E system provides useful data to inform programming?

If so, can you provide examples?

If not, why not?

Has the M&E system contributed to FED's ability to adapt to the pandemic and economic crisis?

Are there improvements you would recommend?

If there is a continuation of FED, what services should be provided and to whom should they be targeted?

If there is a continuation of FED, what should the geographic scope be?

Are there other notable changes you would recommend for FED, both in the short term and if there is a continuation?

6.3 Interview guide for outside stakeholders

Begin by introducing the topic of the evaluation and assuring that all responses will be anonymous. Explain that the evaluation will be used to provide advice on improving the current or future programme. The interview is expected to take approximately one hour.

Name:

Gender:

Age:

Name of organisation:

Position within organisation:

Other notable factors (unique business niche, led by ethnic minority, led by person with disability, etc.):

Describe your understanding of the FED project, its modus operandi, and objectives.

Describe the nature of your organisation's interaction with FED, and if/how it supports the project's objectives.

Do you think the objectives are realistic given the nature and scope of the MoU/collaboration you have with the project?

Describe what collaborative actions have taken place so far.

What have been the outcomes of these actions?

What challenges have been encountered?

What are the internal factors that could influence the success of the collaboration?

What are the external factors that could influence the achievement of the objectives?

What improvements or changes could be made to ensure the collaboration has the highest chance of being successful?

Could you share with us information about the costs incurred in provision of similar services by other agencies?

Annex 3: Survey questionnaire

Sample

Cohort	Total Sample
C1	All in list
C2	All in list

Questions

EQ from Proposal	#	Question	Response type
	1	What is the name of your company	Text entry
	2	What commodities do you trade in	Text entry (or multi choice menu)
	3	Province	Menu
	4	District	Menu
	5	Registered?	Yes / no
EQ1: To what extent have the project objectives and design responded to beneficiaries', partner needs, and priorities, and have they continued to do so if/when circumstances have changed?	6	- To what extent do you agree with the statement: <i>The services received and interactions I have had with the project were / are relevant to my needs</i>	1 = strongly disagree 2 = disagree 3 = neutral 4 = agree 5 = strongly agree N/A Don't know compulsory
	7	Please explain your response, giving examples.	Optional
EQ2: To what extent are the interventions contributing	8	- To what extent do you agree with the statement: <i>The services received and</i>	1 = strongly disagree

to the project's three specific objectives? What are the reasons for the achievement or non-achievement of objectives and what lessons can be learnt from these?		<i>interactions I have had with the project have resulted in an increase in business revenue</i>	2 = disagree 3 = neutral 4 = agree 5 = strongly agree N/A Don't know compulsory
	9	Please explain your response, giving examples	optional
	10	- To what extent do you agree with the statement: <i>The services received and interactions I have had with the project positively changed the way I do business</i>	1 = strongly disagree 2 = disagree 3 = neutral 4 = agree 5 = strongly agree N/A Don't know compulsory
	11	Please explain your response, giving examples	optional
	12	Please explain how the project could improve the way it interacts with you to better support your business	optional
EQ4: To what extent has the project delivered, or is likely to deliver, results in an economic and timely way?	13	To what extent do you agree with the statement: <i>The training and advice I received from the project were delivered in a timely and convenient way</i>	1 = strongly disagree 2 = disagree 3 = neutral 4 = agree 5 = strongly agree

			N/A Don't know compulsory
	14	Please explain your response, giving examples.	Optional
	15	Please explain how the project could improve the way training is delivered	optional
	16	To what extent do you agree with the statement (if applicable): <i>The funds/equipment I received from the project were delivered in a timely and convenient way</i>	1 = strongly disagree 2 = disagree 3 = neutral 4 = agree 5 = strongly agree N/A Don't know compulsory
	17	Please explain your response, giving examples	optional
	18	Please explain how the provision of funds and / or equipment could be improved	optional
EQ5: Has the project had any positive or negative effects on the environment? Could environment and climate change considerations have been improved in planning, implementation or follow up?	19	To what extent do you agree with the statement: <i>The project has helped me to adapt my business to climatic risks</i>	1 = strongly disagree 2 = disagree 3 = neutral 4 = agree 5 = strongly agree N/A Don't know

			compulsory
	20	Please explain your response, giving examples.	Optional
	21	Please explain how the project could improve the way that it assists your business to deal with climatic risks	optional
EQ6: To what extent is the project contributing to changing negative social and gender norms? Is the project gender transformative?	22	To what extent do you agree with the statement: <i>The project has enabled women to take on more leadership roles and/or access more employment opportunities in the business environment I operate in</i>	1 = strongly disagree 2 = disagree 3 = neutral 4 = agree 5 = strongly agree N/A Don't know compulsory
	23	Please explain your response, giving examples.	Optional
	24	Please suggest how the project's efforts to improve gender norms could be improved	optional
Questions on ToC and underlying assumptions	25	To what extent do you agree with the statement ' Economic volatility in Zambia affected my business '	1 = strongly disagree 2 = disagree 3 = neutral 4 = agree 5 = strongly agree N/A Don't know compulsory
	26	Please explain your response, giving examples	optional

	27	To what extent do you agree with the statement ' Involvement in the project mitigated the impact of economic volatility '	1 = strongly disagree 2 = disagree 3 = neutral 4 = agree 5 = strongly agree N/A Don't know compulsory
	28	Please explain your response, giving examples	optional

Annex 4: Documents reviewed

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Midterm Evaluation of the Food Enterprises for a Developed Zambia Project (FED)

This mid-term evaluation assesses the performance of the Food Enterprises for a Developed Zambia (FED) project. The focus of the project, on micro-, small- and medium agro-processing enterprises, has been highly relevant to the needs of these clients. Despite challenges, such as the financial crisis and the COVID 19 pandemic, the project has been reasonably effective and efficient, providing enterprises with new knowledge, together with material investments. These are contributing to their ability to attain certification and enhance food safety procedures, which should contribute to their profitability and productivity over time. Efforts have particularly strengthened women-owned business. Client enterprises have reduced their pollution and are contributing to access to more nutritious foods. A modest number of new jobs have been created. The evaluation recommends that future efforts are narrowed, with selected clients involved in agro-processing related to priority value chains. The project should also expand its efforts to provide a platform for multi-stakeholders discussions of how to respond to broader issues facing the agro-processing sub-sector, such as access to finance for purchasing raw materials.

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