

MFAT Management Response to Zambia Dairy Transformation Programme Evaluation



Recommendation from the Evaluation	Response and Action (MFAT) (Agree, Partially Agree, Reject)
<p>Overall Recommendation: Extend the programme.</p> <p>There is a case to be made for an extension, purely on the grounds of a year lost to Covid, but under all circumstances it is important to give the programme the time needed to manage an orderly close-out. The headlines for the extension should be guided by the [listed recommendations] below and the budget proposal should also reflect this.</p> <p>There is reason to be optimistic that some of the most promising and accessible practices promoted will continue to be used; for example, silaging and the milk quality assurance SOPs. Also, that a window of opportunity to work with MFL on policy and regulatory reforms exists.</p> <p>Positive outcomes will rest on a seamless transition into the extension and there is a good amount to be done to re-position the ZDTP for this. Accordingly, implementing these recommendations should <u>commence immediately</u>.</p>	<p>Agree, but recommend a <u>two year extension</u> which supports Lessons Learned #1 (pg.55).</p> <p>An extension of the Activity was expected. MFAT (GDS and DEVECO) had budgeted for approximately NZD1m for a 12 month extension to the end of December 2022, subject to the Evaluation findings. This contingency was developed in response to a Government of Zambia (GoZ) request. An in-principle acknowledgement of the likelihood of an extension has been conveyed to the GoZ through the Project Steering Committee (PSC) and Ministry of Forestry and Livestock (MFL) by Post. This is contingent on MFAT securing the necessary approvals from the Governance Group and at Ministerial level.</p> <p>The supplier, Prime Consulting International (Prime), have an existing transition work plan which can be modified accordingly to incorporate the supported recommendations. The Evaluation agreed with MFAT’s intention to extend for a further year, “<i>purely on grounds of a lost year to COVID [interruptions]</i>” (p46) but <u>also supported a longer period</u>, concluding: “<i>continued support for dairy industry development in Zambia in the future (p2) [will provide] the time needed to manage the close-out... if another sponsor cannot be found (p38) [and] better value for money outcomes</i>” (p32). Post have forwarded the GoZ/MFL feedback on the Evaluation. They agree with the findings and prefer a two year extension in order to embed the extension approach within industry and/or other donor programmes so as to broaden the reach and sustain the extension model. They have provided advice about prioritising various workstreams within the extension. DEVECO concurs with the need for a 2-year extension based on the following assessment:</p> <p><u>Option 1 - not preferred: A period of 12 months:</u> allows enough time to manage an orderly withdrawal and end MFAT’s commitments in Zambia. While this period would allow closing</p>

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	<p>down the field operations and, assuming there is willingness by other New Zealand public service agencies, potentially establish some interim links with the GoZ via a policy support function to MFL (with New Zealand's Ministry of Primary Industry [MPI] - refer Recommendation 'd'), it would effectively terminate New Zealand's profile and relationships in Zambia. This option will not provide long enough to achieve the Recommendations set out below for the extension because it covers only one growing season (the current November to May). Supporting such a limited farming calendar is expected to result in most technical outputs being lost, or attributed to other donors programmes over time (refer Recommendation 'h') and, the medium and long term outcomes not being achieved. The rapid withdrawal will adversely impact New Zealand's reputation as a committed development and growing trade partner which does not support MFAT's Africa strategy.</p> <p><u>Option 2 - preferred:</u> A period up to two years: a two-year extension would allow for:</p> <ul style="list-style-type: none"> • two growing seasons; • time to focus on localisation for sustainability; • developing meaningful continuing links between Zambia and New Zealand; • maintaining New Zealand's established profile in the Zambia market and, consolidating our reputation as a creditable, trustworthy partner; and, • transferring as much capability to local institutions and industry groups as is possible to allow demonstration of credible business or enterprise models for

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	<p>the most promising technologies or practices commonly adopted (refer Recommendation 'i' also).</p> <p>This would not necessarily require further funding (refer Recommendation 'a') although a modest increase (e.g. <\$500k) would provide a better resource for achieving its outcomes.</p> <p>Next steps for MFAT:</p> <p>Post Activity Manager and DEVECO Lead Advisor to facilitate the Evaluation Team to workshop drafting a revised Transition Plan with Prime Consultants for MFAT review. Concurrently: (a) Post to negotiate a revised Partnership Arrangement with GoZ; (b) DEVECO to draft a BC Lite for GG approval; (c) leading to MFA submission; and (d) a new CFS for Prime Consulting to implement the Extension Work Plan.</p>

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<p>Recommendation (a): Reduce expatriate (and other) costs to the absolute minimum required and propose options to use cost savings to win more time for the intervention.</p>	<p>Agree</p> <p>There has already been a reduction in expatriate travel costs (regional and NZ-based) due to COVID-19 restrictions. We agree that this resourcing can be redirected to support other components.</p> <p>We expect the extension-transition plan to continue remote support from NZ but to use the freed up financial resources from less expatriate travel to source local experts, as required, while progressively transferring the extension and training capability built to aligned dairy agribusinesses/institutions. That approach, over a longer transition/exit period, will assist to sustain a legacy of capability for NZ once the ZDTP has concluded and addresses the GoZ/MFL priorities noted in their feedback.</p> <p>Incidentally, we understand that, as a result of potential other work streams, Prime are establishing a locally registered business entity in Zambia and will source local expertise to maintain a presence in South and East Africa market.</p>

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<p>Recommendation (b): With the programme transitioning from development to maintenance and exit mode, most of the technical development work should be done by now and able to be maintained and supported by local staff. This is a good test of how durable the activities and the capacities developed are.</p>	<p>Agree</p> <p>Prime Consultants current transition plan is focused on divesting responsibility for the extension/training functions (as noted above) but more time is necessary to do this effectively, and for NZ to maintain meaningful <i>“continuing links”</i> after the ZDTP is concluded. More time is needed to consolidate the activities and practices, and to embed the extension and business training functions within a likeminded institution to ensure wider adoption to bring about real change in the sector. This addresses the GoZ/MFL priorities noted in their feedback.</p> <p>The Evaluation was critical of the Theory of Change (TOC) model (pp 3, 17, 24 & 34) and supported the need for a longer extension, concluding: <i>“there is insufficient time allowed to project with any surety that adoption at a national level will happen”</i> (p36).</p> <p>The Extension Option 2 (two-years) will provide the time to ensure ZDTP can <i>“establish the critical mass of adopters, demonstrators and the supporting functions required”</i> (p36) in future.</p>

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<p>Recommendation (c): Negotiate with MFL the placement of the Country Manager as a fulltime embedded policy advisor. With MFL, develop a workplan (with deliverables and milestones), of technical assistance support to an evidence-based approach to livestock and dairy policy, programmes development and public sector service delivery; informed by the ZDTP and other relevant national and regional learnings and evidence.</p>	<p>Reject (whilst achieving the same outcome)</p> <p>We agree continuation of support is important, and additional time should be freed up to support MFL (refer Recommendation 'e'), and to support facilitation of possible collaboration on policy development between MFL and MPI (refer Recommendation 'd'). However we cannot agree to embedding the CM fulltime with MFL as the CM also has an important role to continue leading the team and managing the winding down of extension support and the wider programme. During the extension period, the CM also needs to engage with stakeholders outside of MFL - such as private sector players, financial institutions and development partners - to ensure that new, beneficial dairy farming practices are adopted by the wider industry and larger numbers of farmers, thereby scaling up the impact of the programme.</p>
<p>Recommendation (d): MFAT to engage MPI with a view to using this period and the presence of the above advisor, to establish a bilateral policy, trade, and investment support relationship. Also, to explore continuing Zambia's relationship with the Global Research Alliance (GRA).</p>	<p>Agree and this supports Lessons Learned #2</p> <p>There is real interest from MFL for policy support from New Zealand MPI, as a result from their 2020 study tour to NZ. Preliminary discussions we have had with MPI have been positive and the NZTE G2G team are also interested in how they could assist (although Africa is not a primary focus for their programme). There is potential to broaden the MPI policy engagement to include GRA interests. The ZDTP is part of a GRA supported GHG livestock inventory assessment currently underway. This will address GoZ/MFL concerns noted in their feedback.</p>

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<p>Recommendation (e): To enable the above, relieve the Country Manager of day-to-day management and administration duties, for example by handing those over to a senior local staff member or NIRAS, with close remote support from Prime NZ. If there are financial oversight concerns, contract a local audit firm to provide an internal audit function.</p>	<p>Partially Agree</p> <p>NIRAS Zambia, a global consulting firm who is subcontracted by Prime, could potentially do more than just their current support for administrative systems to the ZDTP office, but handing over the full day-to-day management function for the office, including finance, HR and programme management, is unrealistic. The Office Manager is responsible for operational, employment, service arrangements, health and safety, and programme related outputs. Oversight of these and the implementation of the transition plan best suits with that role. It can be explored whether NIRAS could do more of a supportive function, however, that will result in increased operational costs which may be offset by the opportunity cost of freeing up some of the Country Manager's time to do more policy related work including MPI facilitation.</p>
<p>Recommendation (f): Ensure that credible business or enterprise models are prepared for the most promising technologies or practices that are commonly being adopted by farmers and coops. Those models need to be appropriate to the local context, addressing the risk, financing, labour, maintenance and other resource requirements and constraints that prevail. It is unreasonable to expect the adoption of promoted practices and technologies if they don't make sense in the local farming systems and enterprise contexts.</p>	<p>Agree</p> <p>Prime have already been working towards this. These are an important part of the transition plan. The Extension Option 2 (two years) will provide a longer period to demonstrate credible business or enterprise models can be viable (refer also Recommendation 'i' regarding this need for two more growing seasons). This also addresses the GoZ/MFL priorities noted in their feedback.</p>

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<p>Recommendation (g): Communicating the ZDTP. Assemble the evidence, training and support materials and learning of the programme, packaging this in formats specific to the various users targeted. This may include translations into local languages and using contemporary mixed-media tools for rural communications. Consider radio and television as options. Enable public access. Look for options for dissemination and distribution that include schools, dairy brands and industry partners, other development partners and government agencies. Prepare a costed strategy for this. The evaluation envisages that it will be necessary to contract a local rural development communications partner to support this work.</p>	<p>Agree</p> <p>The Evaluation notes ZDTP's success in <i>“demonstrating technologies and practices to improve productivity and the business of smallholder dairy farming and primary cooperatives”</i>, (p 3) and has <i>“developed a good library of collateral materials to support training and extension”</i>, (p 36). These, and the potential End of Project Study (Recommendation 'j'), will inform this strategy which will be central to achieving some sustainability through localisation of successful outputs to this project (the subject of the other recommendations noted above/below).</p>
<p>Recommendation (h): Present the programme, its learnings, legacy, and achievements to the development-partner group for agriculture, with a view to securing continued support to the ZDTP activities and promoted practices.</p>	<p>Partially Agree</p> <p>The Evaluation team infers other donors may be interested in sponsoring ongoing extension and training of successful ZDTP practices, noting:</p> <p><i>“There is interest being shown by other agencies and industry, and some anecdotal evidence of them incorporating ZDTP's practices in their activities”</i>, (p3). And: <i>“...there is a high probability that these capacity development activities and the resources that have been developed to support them, will diminish quickly in the absence of further sponsorship”</i>, (p24).</p> <p>There is merit in presenting the learnings and achievements to other donors to raise awareness more broadly as part of the Communication Strategy. This will require facilitation</p>

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	<p>through the Steering Group, and MFL (in their feedback) have committed to supporting this approach. This should be coordinated from Post.</p> <p>Co-financing a continuation of the ZDTP with other donors is not favoured. We know from past experience donor policy protocols often preclude co-financing of development projects (the majority of Zambia donors are European or IDB's). Taking into account the current COVID-19 and economic challenges, this would likely have high transaction costs and a long lead-in time to negotiate such arrangements.</p> <p>The extension-transition plan should focus on localisation for sustainability. Transferring as much capability to local institutions and industry groups as is possible over a two season extension period (Option 2 – two years). A good outcome would see broader adoption of successful ZDTP practices, whether by other donor programmes, industry groups, agribusiness or MFL/aligned government institutions (e.g. Agricultural research/colleges). The transition plan and communications strategy will need to set realistic objects to achieving this (refer Recommendations 'f', 'g' and 'j' which will form key components of the transition plan).</p>

Recommendation from the Evaluation	Response and Action (MFAT) (Agree, Partially Agree, Reject)
Recommendation (i): Wind-down the field programmes and cooperative support programmes, ensuring final results are reported.	Partially Agree The focus for the transition will be to wind-down some of the field programmes in a structured way over the next growing season (Nov 21 – May 22). This is dependent on the re-design of the transition plan which will not be completed until December 2021, almost one third of the way through the upcoming growing season, which is too late for farmer/co-operative business decisions to be radically changed. Our advice is for the transition plan to develop a staged withdrawal over the next growing season in some of the sites leading to full transfer (localisation) of capability through to the end of the next growing season (i.e. 2022/23) necessitating supporting the Extension Option 2. This approach will support the GoZ/MFL priorities noted in their feedback.
Recommendation (j): Commission an end-of-project study of the ZDTP's outcomes for smallholder dairy farmer household income and welfare, gender equity, environment, and climate change resilience. Use credible and respected local/regional expertise for competences for this, with a view to being able to publish the study. There may be options for an NZ academic collaboration.	Partially Agree If funds are available. Prime could contract NIRAS or a local masters level agricultural student to complete this study following this next growing season so it can inform the communications strategy for broadening the adoption rates and demonstrating the efficacy of the ZDTP contributions to the industry. The study could also incorporate findings from the GRA assessment when completed.

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<p>“Other” Recommendation: Programme extension and business support staff earn several times what they would in government or local employment. It is unrealistic to expect they will be retained by the farmers or their coops, but nevertheless those conversations should be had.</p>	<p>Agree</p> <p>Whether the field staff can be retained in the industry and how their clients (the Milk Collection Coops and farmers) will be able to finance access to the improved practices and extension support in the future, is a crucial outcome from the transition plan.</p> <p>The ZDTP has developed a good library of collateral materials to support training and extension (p 36). The field staff are well trained and effective and contracted until the end of December 2021. Some have already moved on to work for other industry groups who have recognised the added value they bring from being part of the ZDTP.</p> <p>The Option 2 extension (two years) will provide more time for ZDTP to explore potential options for ensuring co-operative and farmer access to this cadre of expertise and where they can be repositioned within the industry so as to broaden the adoption of and thereby sustain these successful dairy development practices.</p>

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<p>DEVECO Recommendation: to explore establishing a continuing links focus to the transition plan between Zambia and strategic NZ business entities to further develop the NZ-Zambia relationship.</p>	<p>Supported: closely linked to Recommendation 'd' and addresses Lessons Learned #1</p> <p>This will ensure the New Zealand profile, reputation and Africa strategic trade and influence objectives can be sustained and achieve better value for money from the 5-7 year investment in time, energy, and financial resourcing. Along with facilitating closer and continuing links between MPI (policy and GRA work) the transition plan including exploring further links with New Zealand technical expertise will solidify the goodwill and relationships NZ has established in Zambia. For example, the Evaluation notes: "QCONZ Ltd have generally been sub-contracted by the MSCs to deliver this support and they have done this innovatively, amongst others developing app based training and support tools for the purpose." Hamilton based Livestock Improvement Cooperative (LIC), 100% New Zealand farmer owned, have also supplied bull semen to the programme for artificial insemination services and we are aware they have developed a pasture algorithm for the Ethiopia Government which could be adaptable to Zambia. The transition plan should consider what support QCONZ/LIC needs to develop these tools for wider application in Zambia and South/East Africa markets.</p>