Situation and Opportunity Assessment for the FBA Program

Given this context, a situation assessment was conducted to answer four questions:

1. What gaps currently exist in FBA program implementation?
2. What operational best practices can be shared across FBA field sites?
3. What are the most promising interventions to increase FBA income and improve farmer lives?
4. How can future REFINE investigations be used to test the most promising interventions?

METHODS The IDinsight evaluation team conducted open-ended interviews with 36 FBAs, 16 private-sector partners, 10 iDE Field Officers, 5 iDE Team Leaders, and 3 members of iDE headquarters staff across all provinces with FBA operations. Topics discussed include: FBA selection, FBA training, and obstacles preventing, and opportunities for, revenue generation across all pillars of FBA activity. Specific questions were tailored to match the interviewee’s background and issues each interviewee raised during the interview. Interviews lasted 15-60 minutes.

The IDinsight evaluation team also accompanied iDE field staff and business partners on two mobile sales trips in Mumbwa and Ndola. Finally, profit models were built for FBA activities with high profit potential using inputs derived from the stakeholder interviews.

LOCATION Lusaka, Central, Southern, Copperbelt, and North-Western Provinces

TIMEFRAME November 2014 – January 2015
FINDINGS

1. Ideal involvement of iDE field staff in business relationships is unclear, resulting in varied levels of support that iDE staff provides for FBA business activities.

2. Field Officers struggle to complete lengthy FBA training modules, and it is unclear if the most useful elements from the modules are being emphasized.

3. Benchmarks for dismissing underperforming FBAs do not exist, and many FBAs with very low revenue and low training session attendance have been retained for several months.

4. Output marketing was identified as the most promising opportunity for FBAs to increase revenue and improve farmer lives. Output marketing activities can be conducted year round, and FBAs encounter similar barriers and opportunities in output marketing across the country.

RECOMMENDATIONS

1. Establish specific guidelines for iDE’s role in business partnerships. Although field staff should remain responsive to local opportunities and challenges, a defined scope of work will help indicate key activities to prioritize.

2. Align trainings with the needs and capacities of FBAs. Prioritize skills that can be mastered during short sessions and are directly related to FBA revenue generation opportunities.

3. Focus iDE support only on high-potential FBAs. Truncate the “trial period” for new FBAs and quickly release FBAs who fail to make sales or regularly miss trainings.

4. Increase the support provided to FBAs for output marketing activities. FBAs could earn up to several thousand kwacha annually from marketing, and many of the obstacles and opportunities are consistent across geographies.

FOCUS ON OUTPUT MARKETING

The situation assessment revealed that one of the key ways that FBAs can support their communities and earn revenue for themselves is by helping farmers sell their crops. To date, however, several operational constraints have prevented most FBAs from earning any income from this activity. The situation and opportunity assessment revealed that output marketing is the pillar where increased iDE support is most likely to translate to significant increases in FBA earnings and improvements in farmer-client livelihoods.

The challenges that FBAs face in output marketing are consistent but manageable. FBAs report a lack of storage space, scarcity of transport options, lack of negotiating power at the market, and inconsistent supply of high-quality produce to sell. These problems can all be mitigated by a well-designed package of output marketing support, consistent dissemination of this package to FBAs and strengthened communications between FBAs and their field officers.
Output marketing is available year-round and the risks are relatively low - given the small start-up costs and large number of potential buyers. Also, the revenue potential is large – profit models based on market information from FBAs and iDE Field Staff reveal that an FBA could earn up to several thousand kwacha per year from output marketing, resulting in more motivated FBAs and less FBA attrition.”

It is recommended that iDE strategically intensify the support given to FBAs in output marketing activities. The IDinsight evaluation team will collaborate with key iDE staff to:

1. **DESIGN** an appropriate and replicable package of output marketing support services that can be offered by FBAs
2. **ASSESS** if this package of output marketing support is as lucrative for FBAs as the profit models suggest
3. **MEASURE** attributable impacts on farmer revenue due to improved output marketing support.
4. **SUPPORT** the roll-out of the output marketing package to all FBAs in all operational areas.

**REFERENCE MATERIALS AVAILABLE UPON REQUEST**

- Detailed findings and recommendations on FBA Activities by Pillar: A description of current FBA activities and potential sources of revenue in input sales, credit extension, service provision, and output marketing.
- Notes on Crops, Seasons, and Locations: An analysis of how FBA revenue sources vary by time and location, with an eye to keeping FBAs engaged in entrepreneurial activity throughout the year.
- Overview of Program Operations: An overview of gaps and opportunities in FBA selection, retention, and training.
- Profit Models: Projections of FBA revenue from different activities based on information from stakeholder interviews, easily updated to reflect changing market information.
- Business Partner Database: A comprehensive dataset of current FBA business partnerships, with information on geographic area, commission rates and merchandise sold.
- Field Notes Folder: Notes from all interviews conducted over the course of the situation assessment.
- Concept Note, REFINE Project 3: A blueprint of a potential evaluation of intensive output marketing support, including timeline, budget, and a description of evaluation methodology.