

# **ASSESSMENT OF USAID'S FOOD SECURITY III LEADER/ASSOCIATE COOPERATIVE AGREEMENT**

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## **List of Abbreviations**

ACF	Agricultural Consultative Forum
AEC	Department of Agricultural Economic
AFR/SD	Office of Sustainable Development, Bureau for Africa
CAADP	Comprehensive African Agricultural Development Program
CILSS	Interstate Committee for Drought Relief
CIPE	Center for Private Enterprise
COMESA	Common Market for East and Southern Africa
CSREES	Cooperative State Research, Education, and Extension Services
DCHA/FFP	Office of Food for Peace, Bureau of Democracy, Conflict and Humanitarian Assistance
DFID	Department of Foreign International Development
DHS	Demographic and Health Survey
ECAPAPA	East and Southern African Programme for Agricultural Policy Analysis
ECOWAS	Economic Community of West African States
EGAT/AG	Office of Agriculture, Bureau for Economic Growth, Agriculture and Trade
FANRPAN	Food, Agriculture, and Natural Resources Policy Analysis Network
FAO	Food and Agriculture Organization
FEWSNET	Famine Early Warning System Network
FSRP	Food Security Research Project
FS III	Food Security III Cooperative Agreement
FTE	Full Time Equivalent
GAO	Government Accounting Office
GOM	Government of Mali
GOZ	Government of Zambia
IEHA	Initiative to End Hunger in Africa
IFPRI	International Food Policy Research Institute
IITA	International Institute for Tropical Agriculture
INSAH	Institute du Sahel
IPR/IFRA	Polytechnical Institute for Rural and Applied Research
LRP	Local and Regional Purchases
MACO	Ministry of Agriculture and Cooperatives (Zambia)
MSU	Michigan State University
NEPAD	New Partnership for African Development
NTS	Non Tenured Faculty
PASIDMA	Program of Support to Market Information for Agricultural Markets
PRMC	Cereals Marketing Restructuring Program
PROACTIVE	Policy Research for Organizing Agricultural Competitiveness, Trade, and a Vibrant Economy

PROMISAM	Project to Mobilize Food Security Initiatives in Mali
PRSP	Poverty Reduction Strategy Paper
PVO	Private Voluntary Organization
OMA	Malian Market Information Service
OPAM	Mali Food Security Office
SAKSS	Strategic Analysis and Knowledge Support System
SIDA	Swedish International Development Agency
USAID	U.S. Agency for International Development
VAT	Value-Added Tax
ZNFU	Zambia National Farmers Union

## Executive Summary

The Food Security III (FS III) Leader/Associate Cooperative Agreement was awarded to the Department of Agricultural Economics at Michigan State University September 30, 2002. FS III was authorized for an initial five-year period in an amount of \$5,000,000 with the option to renew the Agreement for another five-year period based on implementation progress in assisting USAID, African countries, and African regional organizations in policy research, outreach and capacity building in areas related to improved food security. The purpose of this Assessment is to determine if FS III has met the original goals and outputs of the Agreement during the implementation process to justify a five-year renewal.

FS III receives most of its core funding from USAID's Office of Agriculture in the Bureau for Economic Growth, Agriculture, and Trade, the Office of Sustainable Development, Bureau for Africa, and the Office of Food for Peace, Bureau for Democracy, Conflict and Humanitarian Assistance. FS III also receives funding via Associate Awards from USAID field missions. Associate Award funding is for specific scopes of work negotiated directly with the funding mission. Cumulative core funding as of October 2006 totaled \$3,660,135, and Associate Awards funding was \$18,600,000.

The objective of FS III is "to expand and improve the knowledge base on policy relevant food security issues in developing countries, entirely or primarily directed at sub-Saharan Africa." The goal of FS III is "to increase food security in developing countries, with an emphasis on Africa, as part of a broad-based, market-oriented, sustainable economic growth." FS III is organized according to three research themes: 1) improving food systems performance, including strengthening agricultural productivity and improving input and output markets; 2) understanding household income and livelihood dynamics, including asset distribution and impacts of the impact of the HIV/AIDS pandemic on incomes and food security; and 3) understanding food security/natural resources management interactions. Capacity building activities underlie and support FS III's overall research and outreach objectives. FS III partners with an array of African institutions, regional organizations, and individual analysts and uses the "joint product/interim report" approach to integrate research, outreach, capacity building and institutional strengthening in the policy reform and implementation process.

FS III closely tracks indicators of program progress and impacts. Core funded activities also track indicators specific to the Initiative to End Hunger in Africa, the Comprehensive African Agricultural Development Program of the New Partnership for African Development, and the USAID Agricultural Strategy. Associate Award programs track indicators negotiated with the funding mission, but FS III also attempts to conform these indicators to the higher-level indicators of the regional-level programs. More recently, FS III has been working to align its program indicators with the new Foreign Assistance Framework operational planning process.

Following introductory and overview Sections I and II, Section III of this Assessment presents a review of uses of core funding. Core funding is used for a number of different

purposes, but in general, most of it is used for 1) initially funding country and regional activities and partnerships, which subsequently are funded largely through Associate Awards; 2) training and capacity building; and 3) cross-cutting research themes. Cross-cutting research is being pursued in the following five areas: 1) agricultural technology and natural resources management; 2) growth enhancing food systems and output market development and performance; 3) rural growth, poverty alleviation, and structural transformation; 4) understanding vulnerability and managing aid for long-term development; and 5) strengthening policy outreach and capacity building.

Section III also reviews how USAID field missions have used FS III through their Associate Awards. In Mali, FS III has implemented three awards: 1) Program for Support to Market Information for Agricultural Markets (PASIDMA); 2) Agricultural Growth and Nutrition Linkages; and 3) Project to Mobilize Food Security Initiatives in Mali (PROMISAM). Under PASIDMA, FS III continued support for the establishment of a national agricultural market information system. The Agricultural Growth and Nutritional Linkages Associate Award undertook an analysis to investigate the impacts of agricultural growth on levels of childhood nutrition, given the paradox of continued low levels of nutrition during a period of high agricultural and income growth in Mali. The PROMISAM program provides technical support to the newly created Malian Food Security Commission and to local communities, down to the township level, to establish their operational and coordinating capacities and to develop a strategy to implement Mali's National Food Security Plan.

In Zambia, FS III is implementing the Policy Research for Organizing Agricultural Competitiveness, Trade, and a Vibrant Economy (PROACTIVE) project to promote sustainable agricultural sector development, food security, and rural incomes through applied research and capacity building. PROACTIVE's research agenda is guided by the independent Agricultural Consultative Forum and involves multiple policy and analytical activities. For example, the Cassava Task Force is doing a value-chain analysis for expanded commercial uses of cassava. FS III has done an in-depth analysis of the impact of the rapid appreciation of the Zambian Kwacha on the agricultural sector. The FS III program facilitated the initiative to amend the National Cotton Act in the face of recent stagnation in Zambia's cotton sector. The program has also analyzed Zambia's investment priorities in the agricultural sector to gauge its ability to meet the 10% budget target of NEPAD.

Additional Associate Award programs are being implemented in Mozambique, West Africa, Malawi, and in collaboration with the Common Market of East and Southern Africa (COMESA). In Mozambique, FS III is supporting efforts by the Ministry of Agriculture and Rural Development to implement a program of capacity building to expand the availability of appropriate crop and livestock technologies. The West Africa Program-funded Associate Award is working with the Institut du Sahel to make more data bases available via its web site to food security policy researchers across the Sahel. In Malawi, a monitoring and evaluation system of the Government of Malawi's fertilizer subsidy program is being established. FS III is collaborating with COMESA to expand

regional trade and marketing of food staples and to facilitate capacity building of national and regional agricultural policy research organizations.

Section IV of the Assessment provides a review of how MSU has managed the FS III program. The 1) review looks at the extent to which MSU has implemented the recommendations of the FS II Assessment; 2) summarizes key recommendations made in an external review of MSU's Department of Agricultural Economics; 3) summarizes the commitment of MSU and the Food Security Group to international work; and 4) reviews how FS III uses core funding to meet the objectives of the Cooperative Agreement.

The Assessment concludes that FS III has been successful in implementing the main recommendations of the FS II Assessment by remaining focused on African food security issues, expanding the availability of FS II and III research findings, and providing USAID with an "institutional memory" on African development issues. The internal review of the Department of Agricultural Economics, while well beyond issues related to FS III alone, made Department-wide recommendations that have implications for the FS III program management in terms of the quality of research products, personnel hiring decisions and MSU's overall commitment to international development. MSU's commitment to international development work is clearly evident in policies, programs, and financial allocations within the University. They play an important role in affecting MSU's support of the FS III program. For example, favorable indirect cost recovery rates allow greater program uses of USAID funding. The diversification of FS III funding sources augments funding available for FS-related work. The Department has allowed flexibility in the hiring of personnel to meet FS III goals, has experimented with three-year rolling contracts to recruit and maintain highly-qualified FS III staff, and has covered critical funding shortfalls with university resources.

Core funding for the Cooperative Agreement is critical for the overall operation of FS III. Core funding provides opportunities for cross-cutting synthesis that generates insights and lessons that are broader than individual country findings. FS III has been able to develop linkages and provide support to regional institutions such as the Institut du Sahel and the regional economic communities using core funding. Core resources are used to develop various analytical and training tools such as the Food Policy Information Portal and the import parity price forecasting model used in national and regional programs. Core funding is used to develop proposals that result in associate awards, and support graduate assistantships for African students and other training activities. Outreach activities, institutional memory, and information sharing across countries and organizations are also a key use of core support. Project administration and accounting oversight have been strengthened by core funding.

The Assessment's five key findings are presented in Section V. The Assessment concludes that FS III research and outreach activities are highly integrated into the policy making structures and processes at the country and regional levels. FS III personnel have access to key decision makers in the countries where they conduct long-term programs. In the cases of Mali and Zambia, FS III has been instrumental in guiding policy debates and presents excellent examples of how the policy making process includes important



participation of the private sector and civil society in the process. A second finding is that FS III's empirically-based research is important in guiding the policy formulation process and choices. The research serves to inform all stakeholders on policy options. A third finding is that FS III has established credibility with African governments and important stakeholder groups over the years as a result of its long-term commitment to Africa. Fourth, FS III and predecessor programs have made significant contributions to capacity building in Africa over the years. These efforts include both long-term degree training and short-term, in-service training. The fifth finding is that many other donors look to FS III for policy leadership. FS III works closely with many other donor groups such as the World Bank, Swedish AID, FAO, and others to advance improved policies.

Section VI provides a discussion of the Assessment's main recommendations:

1. Renewal of the Agreement. The objectives of FS III continue to be relevant for Africa, and the Agreement provides a mechanism through which USAID can quickly respond to African food security issues and problems.
2. Provide additional core funding for the Agreement. Core funding is critical for the overall functioning of the FS III program. Core funding supports cross-country learning and synthesis, contributions to CAADP and other regional initiatives, and the development of analytical and training tools.
3. Work towards enhanced sustainability of the FS III program. Several activities related to FS III are mostly or entirely dependent on donor funding. FS III needs to work with its host-country and regional partners to ensure the sustainability of these activities by effectively creating the analytical and outreach capacity within these organizations to ensure their future effectiveness.
4. Expand the dialogue and improve communications with USAID in setting FS III priorities. FS III and MSU need to be cognizant of the evolving nature of US foreign assistance and recognize the challenges that this presents for USAID in justifying continuous long-term support for one priority such as food security.
5. Provide stronger leadership on key issues facing African development. FS III research is well-respected by USAID and many other donors, and this excellence needs to be more aggressively integrated into the debate on the strategic importance of agriculture for African development in the current Foreign Assistance Framework process.
6. Improve responsiveness to assistance requests from USAID field missions. FS III and its predecessor programs have built up a well-respected center of excellence on food security research and outreach for Africa. This expertise and institutional memory needs to be used to its maximum utility and be available to USAID missions in Africa. FS III needs to give all assistance requests strong consideration and pursue all available options for providing assistance.

## **Impact Assessment of Food Security III**

### **I. Introduction**

The Impact Assessment of the Food Security III Leader/Associate Cooperative Agreement (FS III) covers the period September 30, 2002 to the present and was conducted during the months of January and February 2007 by a two-person assessment team. FS III was awarded to the Department of Agricultural Economics (AEC), Michigan State University (MSU), on September 30, 2002. FS III was awarded for an initial five-year period with the option of renewing the agreement for an additional five years. With the completion of the initial four years of FS III implementation, a mid-term assessment is required to verify that the FS III program is making adequate progress in assisting USAID and selected African countries and regional organizations in agricultural policy research, outreach, and capacity building in the many areas related to food security to merit the extension for the second five-year period.

FS III is a follow-on to the FS II Cooperative Agreement with MSU which ran from 1992 to 2002, and before that, the Food Security in Africa Cooperative Agreement which ran from 1984-1992. Thus, MSU, through the AEC, has had significant involvement with USAID over the years in topics related to African food security and overall agricultural sector development. FS III receives most of its core funding from USAID's Office of Agriculture within the Bureau of Economic Growth, Agriculture and Trade (EGAT/AG) and the Office of Sustainable Development, Bureau for Africa (AFR/SD). The FS III Cooperative Agreement also allows for associate awards from other offices within USAID as well as USAID African field missions to support the overall grant objectives. The estimated amount of FS III's core budget as contained in the grant agreement is \$5,000,000 for the initial five years of the grant. Core funding finances cross-cutting synthesis work and critical administrative support for the overall program. The actual core funding allocated to FS III as of October 2006 is \$3,660,135. During this same period, Associate Awards totaled \$18,600,000.

The scope of work for the assessment (Annex 1) calls for a review of progress in accomplishing the goal of the agreement, the extent that outputs have been accomplished, the effectiveness in supporting Africa regional initiatives, success of capacity building, and the identification of any management or technical issues or problems. The assessment methodology consisted of a literature review of all key documents relating to the program, including extensive research and implementation documentation provided by AEC, interviews with USAID and AEC and other MSU staff during a campus visit, and visits to two African countries (Zambia and Mali) to meet with FS III country staff and host-country officials in both the public and private sectors to "ground truth" program progress and impacts.

The assessment report will begin with a brief overview of the overall FS III program (Section II.) followed by discussions of the activities supported by core funding and individual associate awards (Section III.). As the Assessment Team was only able to visit two countries where associate awards were being implemented, a review of these two

programs will be given much more detail and comment. This section will also review FS III's assistance to the AFR Bureau and the regional economic communities for the implementation of the Comprehensive African Agricultural Development Program (CAADP) process being sponsored by the New Partnership for African Development (NEPAD). The Assessment Team had to rely on program literature and interviews with MSU staff to comment on the other elements of the FS III program. The overall program review will be followed by a discussion on the management of the program by the AEC and MSU (Section IV). Key findings and recommendations will be provided in Sections V and VI.

## **II. Program Overview**

The objective of FS III as stated in the grant agreement is, "to expand and improve the knowledge base on policy relevant food security issues in developing countries, entirely or primarily directed to sub-Saharan Africa". The goal of FS III is to, "increase food security in developing countries, with an emphasis on Africa, as part of broad-based, market-oriented, sustainable economic growth". Food security is defined as regular access to sufficient food for a productive and healthy life. The strategic goal of the FS III is to integrate research findings into national, regional, and international policy dialogue and program design to promote rapid and sustainable agricultural growth as a means to cut hunger and poverty. The overall research perspective of FS III views food security broadly in a structural transformation context that takes into account the role of trade, non-farm income generation, and implications for poverty alleviation and sustainable natural resource use. FS III research is organized according to the following themes:

1. Improving food systems performance: Sub-themes include strengthening agricultural productivity and improving input and output markets;
2. Understanding household income/livelihood dynamics: Topics include among others, an investigation of rural asset distribution collective actions for financing social and infrastructure investments, and responding to concerns of the HIV/AIDS pandemic on household income;
3. Understanding food security/natural resources management interactions.

Capacity building activities support FS III's overall research and outreach objectives, and the program partners with African organizations to implement degree training and short-course/in-service training in research and outreach skills.

The FS III program also partners with African institutions, USAID missions and individual analysts and stresses the important linkages between applied research, capacity building, and outreach in the policy reform and implementation process. The essential approach used for program implementation has been the "joint product/interim report" which integrates research, outreach, capacity building and institutional strengthening and treats research and capacity building as joint products. The approach uses various publications and periodic briefings to ensure timely in-country dialogue to inform key

decision makers of policy impacts and options. The approach builds local analytical capacity, improves research quality and credibility, and creates an enhanced demand by policy makers for results.

Training and capacity building are important elements of the overall FS III program. The training is closely integrated with the applied research and outreach programs, especially at the country-level. This will allow reinforcement of the training through actual implementation of research and outreach activities. M.S. and Ph.D. training is provided in agricultural economics, short-course and in-service training is provided in research and outreach skills, and training in survey research methods is provided. Degree training is implemented through: (a) graduate research assistantships being allocated to African and non-African students to allow them to pursue their graduate degrees while contributing to the research program of FS III; and (b) FS III faculty incorporating their research findings into their graduate courses.

In addition to country-level programs, FS III investigates regional food security issues by partnering with African regional institutions. FS III has more recently provided analytical support to various African and U. S. government initiatives and other donors in the areas of food security and agricultural development. FS III supports the objectives of the USAID-led Presidential Initiative to End Hunger in Africa (IEHA). The program is also integral, working with various African regional and country-level institutions, in the implementation of the NEPAD specifically assisting in the implementation of the Comprehensive African Agricultural Development Program (CAADP).

The FS III is currently operating under a Three-year Work Plan for fiscal years 2005-2007 for the use of the core funding it receives from EGAT/AG and AFR/SD. Since 2005, the Office of Food for Peace in the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA/FFP) has also made a contribution to core funding. The Work Plan covers activities of the core AEC faculty members, graduate students and African collaborators implementing the program. AEC and the relevant USAID Bureaus and other partners review the Work Plan annually and adjust it as necessary. In addition to the core funding, FS III receives funding from USAID field missions for country specific work via associate awards. The work plans pertaining to these associate awards are negotiated by AEC directly with the USAID missions.

In each case, whether for core funded or through associate awards, FS III tracks indicators of program progress and impact. Core funded activities track indicators specific to IEHA, CAADP, and the USAID Agricultural Strategy. Associate award programs track those indicators negotiated with the particular mission, but FS III also attempts to conform these indicators to the higher-level indicators of IEHA. More recently, FS III has been working to also align its program indicators according to the Foreign Assistance process operational planning.

### **III. Program Review**

#### **A. Core Funding**

FS III core funding is provided by different offices at USAID/W. These offices have included EGAT/AG, AFR/SD, and DCHA/FFP. Core funding is used for a number of different purposes, but in general, most of the core funding is used to support: 1) Country and regional activities and partnership; 2) Training and capacity building; and 3) Cross-cutting research themes (a more detailed discussion of core funding and its uses can be found under Section IV, Program Management). Consistent with the FS III research themes, funding in the Cooperative Agreement is being used to pursue cross-cutting research in the following five strategic areas:

1. Agricultural technology and natural resources management;
2. Growth enhancing food systems and output market development performance;
3. Rural growth, poverty alleviation and structural transformation;
4. Understanding vulnerability and managing aid for long-term development; and
5. Strengthening policy outreach and capacity building.

An additional strategic area for obtaining and implementing associate awards and closely related projects will be discussed separately in part B. of this section.

Various activities implemented under each strategic area will be discussed below. The discussions will rely on the Assessment Team's review of FS III literature and interviews with AEC and related MSU staff during visits to MSU, Mali, and Zambia.

#### **1. Agricultural Technology & Natural Resources Management**

Work under FS III in this area is concentrated on input market development and the use of fertilizer in Africa. Cross-country insights on factors affecting farmer adoption and dis-adoption are being obtained by analyzing the household survey data collected in Kenya and Zambia. Special attention is being given to the factors affecting adoption and dis-adoption between female and male-headed households, and between households in the top and bottom halves of the income distribution. The role of participation in farmer organizations in influencing access to fertilizer is also being explored. Market-level information is used to examine the impact of government distribution programs on private input suppliers' activities and the role of both government and private actors in a well-functioning input distribution system. A new Associate Award is funding a study of the potential for effective input subsidy programs in Malawi.

This fertilizer analysis is contributing to several outputs being developed with other partners. An extensive review is being undertaken with the World Bank of the reasons for promoting fertilizer use, determinants of demand, and investments and policies most likely to increase fertilizer use in a way that will contribute to broader development goals of economic growth and poverty reduction. The FS III staff made major contributions to the World Bank 2006 [Africa Fertilizer Strategy Assessment](#), to the World Bank [Fertilizer](#)

Market Development Toolkit, and the drafting of the World Bank 2008 World Development Report that is underway. The staff also collaborated with the Food and Agriculture Organization (FAO) in preparing a major review of fertilizer potential and strategies for improved fertilizer marketing, and has been asked by FAO to edit/revise a draft report on increasing farmer use and access to fertilizer. The work is also contributing to regional organizations, for example to the IEHA pillar 1 on science and technology, and to pillar 6, on enhancing natural resource management, and to the CAADP pillar 4 on agricultural research and technology. Policy syntheses drawing on these key findings are proposed and will inform USAID and NEPAD on more effective agricultural development strategies.

## **2. Growth Enhancing Food Systems & Output Market Development and Performance**

This strategic area of work encompasses six interrelated activities that focus on critical aspects of market development, market information, and access to markets, especially by small farmers. It builds upon the work that FS III has conducted the past several years in Africa and makes use of several data sets for cross-country comparisons. The results support IEHA pillars 1, 2, 3, and 5, and CAADP pillars 2, 3 and 4. Important impacts to date include the decision by the Government of Zambia to reduce local government taxation of maize movements across district boundaries along with the abolishment of the import duty on maize from non-COMESA countries based on FS III analysis of the negative impact on small farmer households. These analytical efforts have also strengthened the capacities of the Ministries of Agriculture in the region to analyze market systems and identify needs for market reforms. Several working papers and policy syntheses have been written based on this work.

Analysis is being conducted of data collected in household and marketing agent surveys in Zambia, Mozambique, South Africa and Kenya to demonstrate how strategies to link African farmers to markets must recognize the inequality in distribution of productive assets that produce highly concentrated patterns of marketable surplus. Participation in various kinds of farmer organizations will be analyzed to determine if it affects farmer access to inputs and the degree of commercialization. This work represents collaboration between EGAT/AG, AFR/SD, the Food, Agriculture, and Natural Resources Policy Analysis Network (FANRPAN), the Rockefeller Foundation, the World Bank, and the Ministries of Agriculture in the four countries.

The experiences of Mali, Mozambique and Zambia will be examined to evaluate the new technological options available for market information systems, focusing on how small holders can take advantage of new market opportunities, including attention to the gender impact of the design of Market Information Systems. Work has begun in Zambia using cell phone messaging to provide market information for selected horticultural products. This general area of work has been supported in part by the Center for International Private Enterprise (CIPE) and a proposal to the Hewlett Foundation to expand work on improved market information to spur regional trade in West Africa was recently approved.

African countries are connected directly and indirectly to international food markets, which influences their domestic price formation. In an open economy, import and export parity prices effectively become ceiling and floor prices within which domestic prices can vary. FS III work is being done to complete a web-based price-forecasting tool for automating short- and medium-term forecasting of import and export prices for use in improving the planning for food security. This web-based model has been developed and used in 2006, and was used by the Malian Food Security Commission for food policy contingency planning. The model will be diffused to several other countries in Africa, and workshops will be held on the use of the model with Market Information System staff in Mali, Zambia and Mozambique.

A paper is being prepared on cotton sector reforms in Southern and East Africa. It will emphasize the role of initial conditions prior to reform and the path taken in reforms, including the changing role of producer organizations, in determining the appropriate policies and programs to improve competitiveness and equity within the cotton value chain. FS III work on cotton in Zambia has supported the development of a proposed amended Cotton Act to set the “rules of the game” for the public and private sector. Successful research in Southern and East Africa led to World Bank funding to expand this research to include West and Central Africa. This work is being undertaken in collaboration with the Imperial College of the United Kingdom. This work is also contributing to the new USAID/West Africa-funded West Africa Cotton Improvement Project.

In response to the recognition of the emerging role of supermarkets in developing countries, a study has been undertaken in Kenya and Zambia to assess the current status and direction of change in the horticultural supply chains over the next decade. Basic differences in supply and demand conditions significantly affect the rate and nature of change in horticultural supply chains in Africa compared to other regions. Understanding the changes occurring in domestic food chains in Africa is crucial to designing policies and programs to assure broad-based access to efficient markets for farmers and consumers. The study will evaluate the nature of these changes in these two countries and provide an empirical basis for investment programs to increase the profitability of these chains for farmers while reducing costs and improving quality for consumers. The work in Kenya already prompted a national conference to focus on the domestic horticultural system, led to three presentations at the World Bank, and two presentations at international conferences.

Conventional wisdom assumes that providing access to high value markets will induce a price response, but concerns are often raised about small farmers being excluded from these value chains. FS III research is being undertaken to identify the factors affecting household participation including women and different types of market opportunities (e.g. cash crops, fruits and vegetables for export, domestic peri-urban horticulture, staple food markets). A policy synthesis will be written based on the findings and will be used to inform the debate on USAID and other donor economic growth strategies which focus on higher-value agriculture.

### **3. Rural Growth, Poverty Alleviation, and Structural Transformation**

FS III research has documented three key empirical generalizations found in most African countries: 1) great disparities exist in land allocations within the farm sector, 2) marketed surplus is concentrated within the small farm sector, and 3) more than half of the small farm population are net buyers of staple foods. These findings are increasingly understood and appreciated by policy makers and international agencies for their great importance in designing price and trade policies and poverty reduction strategies. The FS III cross-country household survey data are being analyzed to determine the heterogeneous nature of opportunities and constraints facing rural households, how this conditions their choice of livelihood strategies, and which strategies are associated with higher incomes and asset levels. This analysis will be strengthened and deepened by using the data sets in Kenya, Zambia and Mozambique to identify subsets of households representing different levels of productivity and wealth. Sub-samples will be selected to conduct in-depth retrospective surveys inquiring about family histories, kinship ties, intergenerational transfers, key investment decisions, and other factors affecting different levels of wealth and productivities. The purpose will be to identify endogenous factors that figure prominently in development pathways used by successful commercially-oriented smallholder households. Contingent upon core funding, a synthesis of three-country results will be prepared along with a policy synthesis and outreach meetings in Africa and with regional Strategic Analysis and Knowledge Support System (SAKSS) work as part of the CAADP process.

### **4. Understanding Vulnerability and Managing Food Aid for Long-term Development**

This area of work involves six sets of research and outreach activities that contribute to understanding the sources and extent of vulnerability and how to respond to it. FS III research has become an authoritative source of understanding of the impact of HIV/AIDS on rural households and the appropriate design of AIDS mitigation strategies. The staff have been invited to present research findings at HIV/AIDS workshops organized by the International Food Policy Research Institute (IFPRI), FAO, the International AIDS Economic Network, and the World Food Program. Questions were added to on-going rural household surveys in Kenya, Malawi, Rwanda, Zambia, and Mozambique to determine the incidence of illness and death within the household and family responses to them. As a result, programming in response to AIDS began to focus on income generation and productivity, and efforts to more accurately identify the worst affected households. Early work in Kenya showed that the impacts of AIDS depend critically upon the position and gender of the deceased person and the household's initial level of vulnerability. Female-headed households that lost a male head are more likely to descend into poverty than households incurring mortality of another adult member.

Contingent upon core funds, a second round of cross-country work is planned to develop panel data that will permit the analysis to gain a better understanding of how the



HIV/AIDS epidemic is affecting households' ability to retain productive assets, particularly for women-headed households.

FS III work on food aid has also been widely used by other organizations. For example, the FS III staff has been invited to participate in the team that will design CAADP's pillar on food security for East and Southern Africa. They have also been consulted on the Government Accounting Office (GAO) review of U.S. food aid policy and were asked to participate on a GAO panel of experts in January 2007. The GAO report will be used as an input into food aid deliberations concerning the pending farm bill, and the FS III staff has given several briefings to congressional committees preparing the farm bill. Local and regional purchases (LRP) have become an increasingly important part of the World Food Program due to changes in European Union (EU) and Canadian food aid policy. FS III staff will critically assess LRP practice to date and develop guidelines for WRP and other food aid agencies to use in deciding whether, under what conditions, and how to engage in LRP.

To further thinking about the use of markets to increase the efficiency of emergency responses to food shortfalls, work is progressing on a conceptual framework to facilitate dialogue, a decision framework that emergency response personnel can use in assessing crises and determining responses, including local market considerations, and to build a consensus among donor, technical and World Food Program stakeholders on the conceptual and decision frameworks. FEWSNET was recently added as a partner to help its analysts include markets in the assessment of risks to the vulnerable.

It is generally believed that poverty and vulnerability are increasing within smallholder sectors of Eastern and Southern Africa, resulting in increased calls for food assistance for vulnerable households and communities. Longitudinal data will be used from Kenya, Zambia, and Mozambique to measure trends in vulnerability and poverty over time, identify the causes of changes in vulnerability over time, disaggregated by gender and wealth indicators, and discuss strategies for improving the situation. This research will lead to working papers, policy syntheses, and outreach activities in Africa.

Research was conducted in Mali to explain the apparent paradox between several consecutive years of strong agricultural sector growth and nutritional levels for children that in many cases were declining, or at best remaining stagnant. Additional analysis will be conducted of the data collected on this question to focus on the implications of the analysis for USAID missions, NGOs and others concerning the design, monitoring, and evaluation of agricultural and nutrition interventions in Mali and other African countries. Collaboration is expected with the Western Africa Food Security office of FAO.

Finally, FS III staff has been invited to participate in an Expert Reference Group for NEPAD's pillar 3 concerning food supply, hunger and emergency response. It will include representatives of international organizations and donors, and will develop a set of principles to guide the preparation of CAADP regional and country compacts on strategies to mitigate vulnerability and expand broad-based economic growth opportunities. This will provide an excellent opportunity for the lessons learned from the

FS III Cooperative Agreement to be brought to bear on CAADP initiatives to improve food security and growth prospects for vulnerable populations.

### **5. Strengthening Policy Research, Outreach, and Capacity Building, and Access to Training Materials**

Capacity building and institution building have been key components of the MSU approach to African development and are critical parts of FS III. Training of Africans and non-Africans interested in African development represents a major and well respected part of graduate student training in the Department of Agricultural Economics. Many of the MSU graduates continue today in positions in Africa and in international organizations involving food and development work. During the period 1984-2006, 185 (106 at the M.S. level and 79 at the Ph.D. level) persons received graduate degrees focusing on African development, of which 110 were from Africa. The numbers for 2002-2006 were 32 in total, 20 for M.S. and 12 for Ph.D.s, and about two-thirds of this group was related with FS III major professors. Of the graduates whose research focused on Africa in this period, 18 have current positions related to development issues and another 5 are continuing in advanced studies. In addition, the Ohio State/MSU Higher Education Partnership for Development project (funded by EGAT) is being implemented as a pilot project to generate insights into cost-effective and innovative methods of training through joint sandwich graduate degree programs.

In-service and short-term training programs are conducted in-country as part of FS III Cooperative Agreement activities to target specific personnel for skills development in topics associated with food security issues. For example, 450 persons were given in-service training in Mali, Mozambique, Zambia, and West and Southern Africa during the period of 2000-2004 on basic market analysis, use of spreadsheets, SPSS, and MIS database management. These persons are often supported and aided in their work by senior FS III staff in the field. In addition, between October 2004 and December 2006, approximately 3,000 people (mainly local officials, NGO leaders, and journalists) received training in Mali on the use of food security concepts to build local development plans. These individuals are using these concepts to develop local food security plans in the over 700 townships and counties in Mali.

Two major areas of concentrated work are underway in this strategic area including improving processes and resources for policy analysis and formation, and building and maintaining a Food Security and Food Policy Information Portal. The aim is to help policy makers clearly identify problems, accurately analyze them, and effectively communicate their results to decision makers. FS III staff is conducting case studies to assess the current level of capacity for agricultural policy, evaluate how the capacity is being assessed, identify the channels or fora that exist for stakeholders to take part in policy issues, and analyze the methods for maintaining and improving policy-making capacity over time. The basic framework for the Portal has been designed and is being expanded, relevant publications and materials are being posted on it, and links are being developed to other sources of internet material that is useful in the analysis of FS III issues.

This activity is complementary to work being done in field projects, but also contributes to countries where FS is not working. The web site development underway with the Institut du Sahel (INSAH) in Mali is also complementary. Maintaining, expanding and updating these web-based resources will greatly aid dispersed researchers and policy makers, but will also require considerable time and resources. Training will also be required to familiarize new users about how to efficiently take advantage of them. FS III has worked with FAO and the Cornell/Mann Library to make on-line resources more available to researchers in Africa through the AGORA and HINARI programs. FS III core funding, in particular, contributed to getting training materials for these programs into French and Portuguese and in helping organize regional training sessions in Mozambique and Mali.

## **B. Associate Awards and Closely Related Projects**

Under FS III, there have been five associate awards. These awards were made with funding from the USAID missions in the following countries: Mali, Zambia, Mozambique, West Africa Regional Program, and Malawi. The assessment Team visited the FS III programs ongoing in Mali and Zambia, and discussions of these two programs will provide greater detail than the discussions of the other three programs.

### **1. Mali**

Through support from USAID/Mali, MSU has been involved in investigating food security issues in Mali since the mid-1980's. Initial involvement provided analysis of the cereal markets as part of a multi-donor effort to encourage the Government of Mali (GOM) to institute market reforms leading towards greater liberalization considered necessary to better prepare the country for dealing with chronic food problems in the face of severe droughts. Most reforms were pursued in a unique and progressive partnership between the major donor agencies and the GOM through the Cereals Market Reform Program (PRMC) whereby the donors would assure food assistance and other project interventions if certain mutually agreed upon reforms were undertaken.

The PRMC process also led to the establishment of a series of tools for managing periodic food crises and market development and to a better coordination of GOM and donor efforts to improve food availability and access with a primary focus on cereals. This donor – GOM partnership for assuring food security and reforms continues to the present, and MSU has been an important participant in the process. Applied research by MSU and Malian colleagues during the late 1980s and 1990s contributed in a major way in helping to frame some of the initial PRMC reforms, and current assistance continues to strengthen Mali's capacities to monitor and implement reform measures.

Under FS III, USAID/Mali has provided three associate awards: 1) to complete the work begun under the previous FS II cooperative agreement for strengthening the market information system (PASIDMA); 2) to complete the analysis of the links between agricultural growth and childhood nutrition; and 3) to provide technical support, applied

research, and outreach to assist Mali's newly created Food Security Commission and various units at the local government levels to implement and evaluate Mali's new food security strategy.

**a. Program for Support to Market Information for Agricultural Markets (PADSIDMA)**

The PADSIDMA program, which began as part of FS II in 1998, was an evolution of support provided by MSU to Mali's agricultural market information system first established in 1987 under the Malian agency responsible for managing a food reserve stock (OPAM). Recognizing the inefficiencies of that earlier system, the GOM requested assistance to institute reforms to improve the system by further decentralizing it, improving the products offered by the system, and increasing the timeliness of information dissemination. The GOM and donors also recognized the need to give it an independent character and remove it from the management control of OPAM. Under PASIDMA, the system was improved and now collects market information from 25 reporting sites throughout the country using email and other electronic technologies. The information is transmitted to Bamako for synthesis and national diffusion through the media, and local market information reporting units are linked to neighboring local radio stations so that the information goes out immediately in local languages.

Support for the newer, revitalized market information system, now known as "Market Watch" (OMA), also shifted from 100% donor funding to 100% GOM funding and was given a new institutional home in the Malian Association of Chambers of Agriculture, an organization that represents the largest grouping of rural organizations in Mali. OMA is now widely recognized by the GOM and donors as a vital advisory service of Mali's food security policy making structure. Additionally, several countries in the region look to OMA for information and advice for strengthening their respective information systems. PADSIDMA also served to stimulate the creation of the West African Network of Market Information Systems and the West African Agribusiness Network. These networks include membership from eight countries in the region, and have served as a catalyst for expanded regional trade.

**b. Agricultural Growth and Nutrition Linkages**

During the late 1990's, Mali experienced several consecutive years of strong agricultural sector growth, which could be expected to have a positive impact on various quality of life indicators such as childhood nutrition. However, at the time, the most recent Demographic and Health Surveys (DHS) indicated the nutritional levels for children, in many cases, were declining, or at best remaining stagnant. Given this apparent paradox, USAID/Mali provided an associate award to investigate the key linkages between agricultural growth and levels of childhood nutrition.

The analysis undertaken by MSU looked at the impacts that the agricultural growth had on children's health and nutritional status in three of Mali's most important agricultural productions systems: 1) the cotton-based system; 2) the irrigated rice zone; and 3) and a

predominantly coarse grain system. The analysis undertook to evaluate and compare the prevalence of stunting and wasting among children under five years of age in each zone, and to identify the key socio-economic factors associated with higher or lower rates of malnutrition. Key findings included: a high prevalence of stunting and wasting across the entire sample, but with less stunting in the rice zone compared to the coarse grain zone, and that feeding practices, mothers' work load, support system, and level of income were found to be key factors influencing nutritional status. The studies' results were widely vetted with the GOM and other groups throughout the country and were published in FS II and FS III Policy Syntheses series.

The intent of the overall effort was to provide USAID/Mali with analytical basis to design follow-on interventions, both health-related and agricultural, to address the key problems. However, no specific Mission-funded programs were put in place and implemented. Nonetheless, the analysis did advance the thinking on this important development problem and has influenced Mali's current efforts in developing food security strategies at the local levels to include attention to improving childhood nutrition.

### **c. Project to Mobilize Food Security Initiatives in Mali (PROMISAM)**

In 2004, USAID/Mali established a new associate award under FS III for support to PROMISAM. The award was made in response to a GOM request for assistance to design a program of technical support to the newly created Malian Food Security Commission (FSC), which was located in the Office of the Presidency. The associate award was originally established for a one-year period, but subsequently has been extended by USAID/Mali through September 2007 with an expanded scope of work. PROMISAM was to work closely with the FSC and its advisory bodies to accomplish three broad objectives: 1) assist in establishing the operational and coordinating capacities of the FSC's technical advisory bodies; 2) contribute to the development of an integrated food security plan for Mali while building analytical capacity at the FSC; and 3) create a food security documentation center at the FSC.

Food security policy in Mali has been evolving over the years, and having an effective mechanism in place to deal with food shortages has been a major preoccupation of the GOM. As mentioned, beginning with the cereals market reforms of the 1980s, Mali has developed an approach in which market prices and the private sector played increasingly important roles in guiding food production and distribution. Moreover, the GOM has established a policy of self-reliance in terms of food security policy, which focuses on assuring adequate food availability, access, and utilization. More recently, consistent with Mali's democratic evolution and political decentralization, national policy has stressed the important role that local governments and civil society must play in building programs to assure food security. In November 2002, the GOM officially adopted the National Food Security Policy, which aims to address the broader and longer term aspects of food security. The FSC's mandate is to translate the broad goals and vision of the National Food Security Strategy into an operational program.

Through FS III support for the implementation of PROMISAM, assistance has been provided to mobilize local capacity and to provide on-the-job training and advisory services. PROMISAM first sought to instill a better understanding of the National Food Security Strategy and the concept of food security with local elected officials through a series of workshops and in-service training. Also, PROMISAM assisted local officials to put in place structures to make the Strategy operational at the local level. This was followed by assistance to develop local food security action plans. In 2004/05, FS III was well-placed to assist the FSC to respond to a national food crisis due to poor rainfall and locust attacks throughout the Sahel. Key approaches which PROMISAM advocated were: 1) working with the market information system to make information on markets widely available; 2) working through established mechanisms to mobilize and monitor emergency food aid assistance; and 3) taking actions to promote private sector imports of food grains from regional and international markets to moderate price increases.

**Comments on the Mali Program:** As these brief descriptions of food security activities illustrate, MSU, through the various iterations of support provided to USAID/Mali and the GOM over the years, has been central to the evolution of food security policy in Mali. The establishment of an effective market information system is central to the whole process. The GOM has taken steps in recent years to ensure the System's operational sustainability by allocating sufficient budget for its functioning. In discussions with the GOM, USAID/Mali, and other donors, most considered Mali far ahead of other countries in the region for establishing functional institutional mechanisms for dealing with food security issues. Thus, it is fair to conclude that MSU's contributions to creating and strengthening Mali's institutional capacity in the areas of food security have been significant and have had spillover effects in other countries of West Africa. Furthermore, the evolution of Mali's policies and institutional reforms reflect a long-term effort and engagement of MSU through the FS interventions in the process.

Issues regarding the sustainability of the structures that MSU has helped to create will, no doubt, emerge. In particular, revamping the equipment for the collection and transmittal of the market information is looming, and the GOM and FS III are exploring options. Also, while FS III has made significant progress in creating analytical capacity amongst its Malian colleagues, the reliance on MSU staff for quality control and campus backstopping support will, most likely, cease once funding ends. As of this writing, USAID/Mali does not plan on further funding for the program, given Mission budget reductions due to the imminent approval of a large Millennium Challenge Corporation grant for Mali. Thus, both USAID/Mali and FS III need to explore ways to ensure that continual budget support and adequate capacity remains to continue with the vital work of ensuring sound and effective food security policy.

## **2. Zambia**

MSU's involvement in Zambia began in 1999 through an associate award under FS II for the Food Security Research Project (FSRP). FSRP was established as a collaborative effort between MSU and the Ministry of Agriculture and Cooperatives (MACO) and the Agricultural Consultative Forum (ACF) and will end in early 2007. FSRP is being

followed by a second phase also funded through an associate award entitled Policy Research for Organizing Agricultural Competitiveness, Trade, and a Vibrant Economy (PROACTIVE). PROACTIVE is also receiving funding from the Swedish International Development Agency (SIDA). As PROACTIVE builds on the foundations established by the FSRP, the discussion below will focus on both programs' activities.

The objective of PROACTIVE is to promote sustainable agricultural sector development, food security and rural income in Zambia through applied research, quick response policy analysis, training to build capacity in relevant public and private agencies affecting agricultural decision making, and policy outreach. Over the years, MSU has established credibility within the policy making structure of the GOZ and has successfully effected some important policy improvements. These include:

- developing the Agricultural Market Development Plan and the Agricultural Inputs Marketing Plan,
- improving consumer access to low-cost maize in urban areas;
- rescission of the Value-Added Tax (VAT) on agricultural inputs in 2006;
- reduction and harmonization of local government taxes on maize movement across district boundaries in 2005;
- abolition of import duties on maize from non-Common Market of Eastern and Southern Africa (COMESA) countries;
- substantive redrafting of the Cotton Act in 2006.

FSRP's and PROACTIVE's research and outreach activities were guided by an Advisory Board made up of members from the GOZ, farmers' organizations, and other private sector groups. Additionally, expanded stakeholder involvement in policy debates and decisions is facilitated by the ACF, which was created in 1996 under a World Bank program as an independent entity to debate policy issues and present results of policy research to GOZ decision makers. The ACF continues with funding from USAID/Zambia, Norwegian aid, and Dutch aid. PROACTIVE will continue to work on a number of policy issues: maize marketing, agricultural trade policy, farm diversification, strategies to promote smallholder fertilizer use in a cost-effective and sustainable manner, public sector budget allocation to the agricultural sector, and rural poverty reduction strategies and their relationship to agricultural policies. FS III has been involved in a multitude of agricultural policy research and outreach initiatives under the direction of the ACF, and it would be difficult to review all of the program's contributions to those initiatives in this assessment. Nonetheless, a discussion of some of the key past and current research activities follows.

#### **a. Task Force on Acceleration of Cassava Utilization**

With the reduction in maize subsidies in the early 1990s, many farmers, induced to plant maize with the subsidies, switched out of maize in traditional cassava growing areas and became more dependent on cassava as their staple food crop. At about the same time, Zambia's national cassava breeding program developed some new, highly productive cassava varieties which offered the potential to vastly improve cassava production

particularly in drought-prone areas. As a result of these new varietal breakthroughs, several NGO groups began to promote increased cassava production for food security purposes, and in recent years, Zambia has seen a rapid increase in cassava production. With this new surge in cassava production, agricultural processors began to develop some commercial-based cassava products, and several livestock farmers and feed companies became interested in exploring cassava's use for animal feed.

Given the emerging importance of cassava as both a staple food and processed product with potential commercial uses, the ACF began to investigate the expanded use of cassava as a raw material for food processing and animal feed industries in order to take advantage of this significant surplus cassava production. These emerging issues related to the expanded commercial uses of cassava were brought to the attention of the ACF by various private sector groups, and FS III was requested to initiate a process involving stakeholders from both the public and private sectors to conduct a value chain analysis and further develop cassava's commercial potential. The group ultimately became known as the Acceleration of Cassava Utilization Task Force and has adopted a holistic approach to sector development based on a comprehensive value-chain analysis, including an assessment of all major supply channels.

After approximately 16 months of operation, the Task Force has succeeded in facilitating the adoption of cassava trading standards by the Zambian Bureau of Standards, developed cassava-based feed formulations for animal production systems, and has made significant progress in promoting production and consumer acceptance of a range of cassava-based food items. Keys to the success of the Task Force's work included the integration of the private sector into the value-chain diagnostic, FS III's ability to serve as an honest broker through the ACF process to ensure that all key stakeholders participated productively in the process, and the ability to mobilize private and public resources to conduct the Task Force's work. The Task Force remains active, and through the ACF process, the Task Force has identified the second-generation constraints and the process is moving forward.

#### **b. Analysis of the Impact of the Kwacha Appreciation on Zambian Agriculture**

This analysis originated at the request of the Zambia National Farmers' Union (ZNFU) that wanted to have a better understanding of how the surprising and rapid Kwacha appreciation would impact on cotton exports in 2006. In addition to cotton, however, the consequences of the Kwacha appreciation could have far-reaching impacts on the overall agricultural sector, and particularly on all export crops, and potentially set back Zambia's successful efforts over the years to achieve export diversification away from minerals. FS III was requested to provide an analysis by the ZNFU, through the ACF process, to more accurately gauge the impact of appreciation on the agricultural sector and to make recommendations for possible mitigating measures.

Zambia's agricultural sector has become a strong foreign exchange earner in the past ten years as a result of economic liberalization and other institutional strengthening measures and now accounts for approximately 25% of exports. This growth in agricultural exports



has formed the core of Zambia's successful diversification away from dependence on volatile mineral exports. Given that agriculture employs 70% of the Zambian workforce, continued growth in agricultural exports is important for poverty reduction and broad-based economic growth. However, with the sudden strengthening of the Zambian Kwacha, due to increases in world copper prices and speculative inflows of foreign investment since November 2005, Zambian agricultural export earnings have fallen, and will impact negatively on Zambia's large farming populations in terms of income derived from farming enterprises.

The FS III analysis estimates that the Kwacha appreciation has reduced the Kwacha value of agricultural exports by 30%, and that the continued appreciation of the Kwacha risks making Zambia's export agriculture more and more uncompetitive on world markets. The analysis also suggests that agricultural exports will fall by \$106 million per year and negatively affect 190,000 farm households. Although export agriculture will be hurt the most, domestic food production will also be affected as the continued strengthening of the Kwacha will make imported maize, wheat, wheat flour, dairy, and poultry more competitive than domestic production. This will lead to larger maize imports with a corresponding downward pressure on maize prices and farmer production incentives and could lead to a \$40 - \$60 million shift in foreign exchange earnings. The analysis further suggests that this would also imply a reduction in domestic production of about 20% with associated loss of income earning opportunities for farmers.

Thus, the Kwacha appreciation is a serious setback for the overall agricultural sector. This situation could lead to Zambia returning to a copper-dependent economy without an alternative export earner should the impact on farm households be long-term. The overall analysis identifies various measures that can be taken by the GOZ to mitigate the effects of the appreciation on the sector. The analysis recommends that the GOZ use the windfall in foreign exchange earnings to the advantage of the farmer by better exchange rate management, strict controls on government spending to control inflation, and continuing to promote economic diversification by making significant investments in agricultural technology and infrastructure.

### **c. Development of an Amended Cotton Act**

FS III was requested by the ACF to facilitate a stakeholder-driven process to reach agreement on and to redraft Zambia's Cotton Act. Zambia's cotton sector is vertically integrated with substantial involvement of large ginners in the provision of required inputs, extension support, production credit, and in most cases, production contracts and a guaranteed market to farmers. The sector has seen a large increase in cotton farmers in recent years as more farmers attempt to diversify their crop mix away from maize as the result of reduced subsidies and to take advantage of the income earning opportunities offered by cotton production. The increased number of farmers involved in cotton production also reflects the reforms the GOZ has initiated within the sector in recent years, which allow ginners much more control in sector coordination and providing support to farmers. The intent of the Cotton Act is to codify these reforms and provide

the regulatory framework for an orderly development and coordination of the sector. The process of amending the Cotton Act was initiated by the GOZ in 2000.

In 2006, the cotton sector collapsed due to a fall in world cotton prices and an unexpected 30% appreciation of the Zambian Kwacha. This led to an effective lowering of the return to cotton by 30%, and cotton ginneries were not able to honor the pre-planting guaranteed prices. Cotton farmers were forced to default on debt incurred for input purchases as the value of their production also fell. This crisis in the sector led to a precipitous decision by the Minister of Agriculture and Cooperatives to ban cotton marketing for almost one month. In response to this crisis, the President of Zambia signed a less-than-satisfactory version of the Cotton Act, which by all stakeholder accounts was woefully insufficient to address the many stakeholder interest in the sector.

FS III was requested to facilitate stakeholder discussions and develop recommendations to amend the Cotton Act, given its credible reputation as a knowledgeable and independent research organization. To this end, FS III organized a five-member task force to review the Cotton Act, facilitated multiple consultations with all key stakeholder groups, and redrafted an amended Cotton Act that incorporated all stakeholder concerns. The revised Cotton Act has been submitted to the Zambian Parliament with the hope that it will be forwarded to the Presidency for signature.

#### **d. Analysis of Emerging Structural Maize Deficits in Eastern and Southern Africa**

Over the past decade, the maize sector in Eastern and Southern Africa has seen major changes such as market reform and structural adjustment, an apparent shift in cropped area from maize to cassava and other crops, rapid growth in urban populations and the demand for food, and political instability in the region. However, there has been little effort to understand how these changes have affected trends in maize supply and demand conditions, price trends, and their implications for food policy in the region. The analysis conducted by FS III summarizes trends in net maize exports over recent decades and examines whether these trends are being reflected in changing maize price levels in the region. The study, then, highlights the implications for the country's agricultural and poverty reduction strategies.

The main findings of the analysis indicate that both the eastern and southern Africa regions are moving towards a structural maize deficit. At the country level, there was a downward trend in net maize exports in all countries in southern Africa. In east Africa, there was a significant downward trend in net maize exports for 2 of the 6 countries. Despite the fact that the region is becoming more maize deficit, wholesale maize prices in most countries have remained constant over the past decade and are actually trending downward in South Africa. Maize meal prices have also remained somewhat constant, essentially due to increased competition amongst millers that has kept meal prices down. However, wholesale grain prices for the small farmers have not risen and they remain highly variable. The analysis indicates that this is, most likely, due to the lack of public goods investments to reduce high marketing costs, highly unstable and increasingly

politicized grain policies across the region, and lack of private sector investments in marketing infrastructure such as storage and rural assembly and long-distance wholesaling.

The study points out that increased maize imports are not necessarily a bad thing as long as there are efforts on the part of governments and donors to encourage small farmers to diversify into higher-return crops and off-farm activities. Governments and donors can support this effort through public goods investments, greater stability in the policy environment, and supporting commercial investments in market development.

#### **e. Returns to Agricultural Investment**

FS III has worked with the Ministry of Agriculture and Cooperatives (MACO) to show policy makers how the GOZ's budget to the agricultural sector is allocated. Zambia is committed to the New Partnership for African Development (NEPAD) goal of having governments devote, at least, 10% of their national budgets to agriculture, and this analysis is assisting the GOZ to better understand how to achieve that investment priority.

The analysis shows that roughly 75% of Zambia's current budget for agriculture goes to fertilizer subsidies, fertilizer grants, and operating costs of the Food Reserve Agency. Another 20% is allocated to salaries and wages of GOZ officials, while only 5% goes to investments in agronomic and crop breeding research, extension, irrigation, and other areas considered important for raising agricultural productivity. These findings have instigated intensive discussions at the MACO and within farmer groups. FS III has assisted in preparing a report on public resource allocation that was presented at the ACF in February 2006. The proceedings of the meeting were prepared and presented to MACO and the President's Office. One measure adopted as a result of the study has been the decision by the GOZ to drop the VAT on agricultural inputs.

The analysis also serves as an indication of the difficulties African governments will face in honoring the agricultural sector investment goals of NEPAD if sector policies do not create an enabling environment for investment and growth. Recently, AFR/SD has expressed interest in duplicating this type of analysis for other countries as part of the CAADP effort.

#### **f. Trends in Aggregate Agricultural Production and Poverty Indicators**

FS III has collaborated with multiple partners under the Strategic Analysis and Knowledge Support System (SAKSS) regional framework for eastern and southern Africa to produce a study on trends in agriculture and poverty indicators. FS III has been working to develop a better understanding of smallholder production and marketing patterns and how these patterns have shifted over time, in order to better understand how maize and other agricultural marketing policies could be designed to better serve the needs of small farmers and consumers. Most policy perceptions in Zambia on how to assist small farmers and consumers are based on crop forecast and post harvest surveys. Through FS III assistance, survey methodologies have been improved in several ways

including the incorporation of a wider set of commodities that have risen dramatically in importance in recent years, such as fresh fruits, vegetables, and certain animal products, in order to get more realistic official estimates of production trends.

Key findings include that the total gross value of agricultural output has risen by over 50% since the mid-1990s, and horticultural crops and animal products appear to be growing rapidly. The study concludes that rural poverty rates have declined from 92% since the mid- 1990s to about 74% in 2003. Nonetheless, rural poverty remains. Continued progress in bringing down rural and urban poverty will depend on growth of agricultural productivity. To achieve the twin goals of achieving sustained agricultural growth and poverty reduction, public investments in crop science, effective extension programs, improved infrastructure, and a stable and supportive policy environment will be necessary.

**Comments on the Zambia Program:** The FS III activities in Zambia are many and varied as these examples indicate. As with the efforts in Mali, the FS III policy work is highly integrated into the policy making structure of the GOZ. The ACF provides an important independent venue for all stakeholders to debate policy issues and is an interesting example of effective civil society involvement in guiding the national policy formulation process. The FS III research is an important input to the debates and in guiding the eventual policy formulation. As with Mali, FS III and MSU have made a long-term commitment to Zambia and have established substantial credibility with the GOZ, private sector and other elements of civil society in the country. Other donors in Zambia look to FS III for policy leadership, and in the case of the current associate award PROACTIVE, SIDA has decided to partner with USAID/Zambia in funding the program. FS III has also made significant contributions to capacity building among Zambian researchers. The improved research capacity notwithstanding, sustainability questions will arise, given the involvement of MSU staff in the training and research activities. A key element of USAID/Zambia's current award is for this research and outreach capacity to be transferred to the ACF or another institution.

### **3. Mozambique**

MSU/food security has been involved in Mozambique since 1991. The purpose of the current associate award is to support efforts by the Mozambique Ministry of Agriculture and Rural Development and its private sector and PVO partners to ensure that economic opportunities presented by market-oriented policies and democratic governance lead to broad-based increases in rural incomes. FS III and its partners are implementing a program of capacity building activities for expanding the availability of appropriate crop, livestock, and natural resources management technologies for smallholder farmers and accelerating the uptake of those technologies by strengthening policy institutions and market information services. Specific objectives include: 1) strengthen the capacity of the new research organization IIAM to identify and disseminate improved crop and livestock technologies; 2) ensure a favorable policy and market environment for rapid technology adoption; and 3) strengthen the Ministry's ability to monitor smallholder

technology adoption and market participation and analyze key cross-cutting concerns related to HIV/AIDS, nutrition and gender.

FS III has had a positive impact in several areas related to improving the policy environment. The program has been successful in strengthening Mozambique's national agricultural market information system to the point where it now reaches about one-third of the country's smallholders. FS III has assisted in creating a strong policy analysis unit in the Ministry of Agriculture and Rural Development, which has influenced continued liberalization of markets in Mozambique and the region and the setting of improved commodity-specific policies. The program has also worked to improve the Ministry's statistical and data analysis capacity that resulted in the first nationally representative household income data set in 2002. Improved data sets have also been used to formulate research priorities in the new public sector research institute and to justify a national research investment plan. In the course of the program, over 30 B.S. level Mozambicans have received in-service training, 6 have received M.S. degrees, and 2 have received Ph. D. degrees.

#### **4. Collaboration with the COMESA for Implementation of the Comprehensive African Agricultural Development Plan (CAADP)**

COMESA and MSU under FS III recently signed a Memorandum of Understanding to collaborate in the implementation of the CAADP. COMESA has been assigned a leadership role for the implementation of the CAADP in the region to assist countries in the region to achieve increased agriculture-led economic growth to eliminate hunger and reduce poverty. This effort is to be achieved by focusing on four CAADP "pillar" programs: 1) extending the area under improved water control systems; 2) improving rural infrastructure; 3) increasing food supplies and reducing hunger; and 4) agricultural research, technology outreach and adoption. FS III will assist in this process by providing COMESA with additional perspectives for facilitating regional trade, to develop a broad program of research and outreach to enhance regional food security through improved regional marketing of food staples, and facilitate capacity building of regional and national agricultural policy research organizations.

#### **5. West Africa Program**

This associate award provides assistance to the INSAH, the analytical cell of the Interstate Committee to Fight the Drought in the Sahel (CILSS), to make more data bases and key publications on rural development available on-line through improvements in the INSAH website and linking it to the Food Security and Food Policy Information Portal. Demand for access to INSAH's databases by policy makers across the Sahel has grown in recent years, and providing on-line access will significantly add value to the investment that INSAH and USAID have made in developing them.

Four interactive, searchable data bases, covering an array of development information, are now available on the Internet via the INSAH website. The on-line data bases provide access to information critical to researchers and policy makers for improving economic

and business policy environment, increasing agricultural productivity, and improving the sustainable management of the natural resource base. A practical example of the effectiveness of the data base is having approved pesticides on-line which will be able to assist emergency response planners for future anti-locust campaigns. The program also provided training to librarians and researchers from Mali, Senegal, and Burkina Faso on systems allowing free on-line access to nearly 2,000 scientific journals via AGORA and HINARI. This training was carried out in collaboration with FAO, the Information Training and Outreach Centre for Africa, Cornell's Mann Library, and the University of Bamako's College of Agriculture (IPR/IFRA).

## **6. Malawi**

This associate award to FS III is to put in place a monitoring and evaluation system for the Government of Malawi input voucher subsidies program. The Government of Malawi has been using various forms of input subsidies for more than a decade. Following the 2005/2006 program of subsidized input vouchers that were redeemable only at GOM-supported outlets, the GOM agreed with donors to a program in 2006 that also permitted both GOM outlets and private sector input dealers to redeem the vouchers. The GOM and the donors supporting the program have agreed to monitor and evaluate the voucher program to assess how well the program was implemented and to measure its impacts at the national and household level. The overall objective is to provide lessons learned for future interventions for food security in Malawi.

The Malawi program is an example of FS III's rapid response capability for time-sensitive field work. It also demonstrates the invaluable linkage between ongoing core research conducted under Strategic Area 1 discussed in Sector III. A. above and the ability to assist African governments make evidence-based policy and program decisions in key sectors such as fertilizer and related input subsidies. The question of whether or not African governments should use input subsidies to promote growth in their agricultural sectors, and if so how the subsidies should be designed, represent arguably the most controversial and important policy issues facing African governments and their partners.

## **IV. Program Management**

This section presents information on the MSU commitment to international development, the approach of the FS group to managing the Cooperative Agreement, and the challenges faced by the University and the Department in maintaining and strengthening international work. The section consists of four parts. The first summarizes the suggestions reported in the assessment made of the FS II Cooperative Agreement and the recommendations made regarding the design of FS III. The second summarizes the key recommendations made in the external program review conducted of the Department. This review is important because it suggests measures the Department should take to improve its performance in the eyes of the external review panel. These recommendations may have influenced Department decisions and actions during the past 18 months and may continue to do so in the near future with important implications for

the FS group. The third section summarizes the commitment of MSU and the FS group to international work as represented in specific actions and decisions, some of which may have been prompted in part by the assessment and external review. The last section highlights how the FS group utilizes the critical Core funds to meet the objectives of the cooperative agreement.

### **A. Assessment of FS II**

An assessment was made of the Food Security II Cooperative Agreement covering the period December 1996 to December 2001. It is contained in the March 2, 2002 report of Donald Brown and Wallace Tyner (hereafter referred to Brown-Tyner). The assessment was based on 47 email questionnaires returned out of 102 sent out, personal interviews, review of project materials, examination of the FS II web site, and meetings at MSU. Brown-Tyner had only limited access to personnel and activities of FS II overseas.

Brown-Tyner concluded: “The second phase of the Food Security II Cooperative Agreement has been successful. FS II has met its outputs and deliverable targets and has contributed significantly to achievement of project goals and objectives. It is recognized and appreciated broadly in the field and within USAID/Washington.” One of the main reasons for success was found to be the commitment of the staff and institution and its long-term institutional memory.

The three general recommendations for a follow-on project included:

- Continual focus entirely or primarily on Africa.
- Seek greater diversity, both in ideas and personnel, within any future food security project.
- A cooperative agreement was unanimously agreed to be the best procurement instrument.

Brown-Tyner presented a conceptual framework for a future FS project that envisioned it as a producer of public goods, producing services to a broad range of clients beyond USAID and host countries, and providing institutional memory for USAID on African development issues. It was argued that a broader base of organizations should have input into the work plan, and the project should make a greater effort and allocate more resources to sharing data and information. It was recommended that the boundaries of a follow-on project be carefully and narrowly defined, and it should be better integrated with the Poverty Reduction Strategy Paper (PRSP) process in the countries in which they are working.

Brown-Tyner noted that considerable discussion occurred between the assessment team, project staff, and USAID representatives about divergent views of the quality of the project’s output. The team supported the many favorable comments received about the FS “joint product – interim report” model of widely and quickly disseminating project findings, but also commented on the tradeoff between producing short-term practical results and longer-term more theoretical results related to food policy and food security.

## **B. Cooperative State Research, Education, and Extension Services (CSREES) Comprehensive Program Review and Department's Strategic Intent**

A CSREES review is an exercise that departments in Land Grant Universities conduct periodically to assess their progress relative to peers. If the recommendations of the reviewers are accepted, the review can prompt decisions and agreements between the Department and University administrators that will influence the future direction and staffing of the Department. The MSU program review (hereafter referred to as the Review) was conducted on June 5-9, 2005 by a group of agricultural economists with considerable reputation in the discipline.

The Review noted that the Department has a world-class reputation for international development programs, generates large extramural funding to implement many large programs (as a response to continuous declines in base-funding support from Federal and State sources), holds a strong land-grant orientation and commitment to public service, is well respected within the university and the profession, collaborates with other departments and has a promising program in environmental and resource economics.

The Review argued that with additional emphasis on academic excellence, the Department can significantly improve its reputation and performance. It recommended a series of actions and investments, including several new hires, to achieve these goals. To enhance the visibility and reputation of the international program and help ensure its long-run sustainability, the Review recommended that the Department:

- Increase its publishing in high quality professional journals.
- Diversify its funding base beyond USAID.
- Develop a leadership transition plan.
- Invest in a junior-level tenure-track faculty member.
- Develop a Ph.D. level course in agricultural development to help compensate for the lack of a development course in the Economics Department.
- Consider expanding the sandwich program for graduate student training with select African institutions.

At a faculty meeting in May, 2006, the Department endorsed a statement of "Strategic Intent: Performance Goals and Objectives" that seems to flow directly out of ideas raised in the CSREES review. It includes language consistent with ideas covered in the Review concerning the pursuit of excellence in all dimensions of scholarship and seeking more visibility in journals and other professional venues. For example, under the heading of Research, the objectives include improving the quantity and quality of peer-reviewed research, pursue types of research that provide competitive advantage with respect to top comparable departments, communicate to faculty clear expectations of productivity, and hire faculty with strong potential for influential research publishing consistent with assigned duties. Consistent with these objectives, the performance indicators listed include quantity and quality of peer-reviewed research, value and number of external grants received, and number of new faculty hired with strong research publication credentials. Under the goal of Administration, Governance and Budget, there is a



specific topic of importance to FS because of the large number of non-tenure stream (NTS) faculty involved in FS III. That is the objective of improving the integration of NTS faculty into department programs by developing policies for their recruitment and review/evaluation, and for expanding their role in faculty governance.

### **C. MSU's Commitment to International Development and FS III**

The nature and extent of MSU's commitment to international development work is evident in its policies, programs and financial allocations which are outlined in this section. They play an important role in affecting its performance under FS III and will determine MSU's future leadership among US land grant universities and its ability to partner with USAID.

#### **1. Indirect Cost Recovery**

As part of its cost-sharing plan for FS III, MSU agreed to forgo its standard on-campus overhead rate of 49.5% and apply its off-campus indirect cost rate of 26% for both Leader as well as all Associate Awards. This means that each dollar of USAID supplied Core and buy-in funds go that much further towards meeting FS III objectives.

Under the MSU system, currently 10 percent of the indirect costs mobilized are returned to the originating department for use in strengthening that unit. These resources contribute to the general pool of Department resources and help substitute for dwindling federal and state funds. These funds along with release time funds are generally allocated at the discretion of Department chairs for the common good. On an ad-hoc basis, the FS group can request funding for specific purposes. In the last two years, such funds were used to help cover core-funding shortfalls, support graduate students whose assistantships were terminated under FS III, and the purchase of new computers and software.

FS III has an agreement with the Office of the Vice President for Research and Graduate Studies (OVPRGS) so that for a period of 3 years, starting in 2006, MSU will charge the off-campus 26% rate for any food-security-related project under \$300,000 funded by a non-USAID source (assuming that the source does not have a lower overhead rate limit). This action is designed to encourage the diversification of funding sources and attract smaller projects from new partners that might result in attracting larger levels of funding in the future. Indirect cost rates for projects over \$300,000 are negotiated individually. If the source of funds has an explicit written policy that it will only pay a lower rate, the University must accept it or reject the project. For example, the Rockefeller Foundation will only pay a 10% rate.

## **2. Diversification of Funding**

As part of its effort to diversify its sources of funding and augment the total amount of funds available for FS related work, the FS group has successfully tapped an impressive number of alternatives. As of January 15, 2007, the group reported 11 different sources of Core contribution and Associate Awards that represents 81% of total funding obligated or anticipated for the period September 30, 2002 to September 30, 2007. One of these projects is particularly unusual in that USAID and SIDA agreed to co-fund a large project in Zambia. In addition the group reported 21 closely related projects that represented the remaining 19 percent of total funding. These include several projects with the World Bank, Rockefeller, FAO, and the International Fertilizer Development Center (IFDC). An additional \$2.7 million in projects were in negotiation or pending for 7 other projects, and discussions are underway with USAID missions, the Millennium Challenge Account, Gates Foundation, and others for undetermined amounts of funding.

Although this diversification has been creative and useful, preparing proposals and negotiating agreements takes considerable time of senior faculty that could be spent on other FS III activities of potentially more immediate and direct benefit to USAID. It also raises the administrative costs of managing many projects and reporting to several different sponsors with their unique reporting requirements.

## **3. Full Funding of Senior Tenured Faculty**

Prior to 2003, MSU provided base-budget support for roughly 1.7 full-time equivalents (FTE) of tenure-system faculty time spread across four faculty members working on international development (Weber, Crawford, Staatz, and Bernsten). The balance of their salaries was billed to extramural funds. In 2003, the University began to provide full budget support, with the increase split between the University general budget and funds from the College of Agriculture and Natural Resources. This action was important in assuring the financial sustainability of these positions. This change means that the Department receives release time and its share of indirect cost funds whenever these four faculty members bill their time to extramural projects. Typically, 30% of Crawford's time, 50% of Staatz's time, and 80% of Weber's time have been charged to various FS III projects, thereby generating salary savings for the Department.

## **4. Hiring to Meet FS III Goals**

MSU has made several new hires to meet FS III goals. David Mather was hired in 2004 to help with analysis of data from southern and Eastern Africa. He continues to work on a part-time basis while pursuing a second Ph.D. in Political Science. Gilead Mlay was hired in 2006 to serve as in-country coordinator for the Mozambique project to replace Tom Walker. Steve Haggblade was hired in 2006, initially to serve as in-country coordinator in Zambia and later to work on a part-time basis from Washington, DC. Antony Chapoto completed his Ph.D. in Ag. Economics, and in January, 2007 moved to Zambia to join the in-country team. Jones Govereh was recently selected as interim director for Zambia and is expected to become a regular MSU employee starting in

March 2007. Xiao-Zhen Li was hired as Administrative Assistant to help manage the increased administrative load of multiple projects. However, there was no net increase because FS III lost staff in the same period (for example, Mbaye Yade, Jim Tefft, and Youssouf Camara), especially when funding for West Africa regional work fell off.

Several analysts are hired as consultants to work in the field offices. For specific, well-defined tasks, specialized persons such as Dario Berardi (an Italian computer consultant working to construct the web site of INSAH) are hired for tasks when the expertise is more readily available outside of MSU.

### **5. Multi-Year Rolling Contracts**

Starting in 2000, MSU was unique among US universities in its ability to recruit and retain highly qualified NTS faculty for long-term assignments by offering security of employment through two and three multi-year renewable rolling contracts. A risk sharing formula was adopted among six MSU administrative units to share in the cost of guaranteeing these contracts. In 2002, 12 faculty were covered by these guarantees. This policy was proposed for FS III but was discontinued in 2005 following a significant funding gap. Now the NTS faculty has one-year renewable contracts, contingent upon continued funding. The demise of multi-year contracts is a serious impediment to hiring highly qualified NTS staff to work on FS III activities.

### **6. Evaluation of FS III Work in Decisions about Promotions, Tenure and Salary Increases**

The Department and College have been committed to rewarding faculty in tenure and promotion decisions based on a broad mix of applied scholarly contributions to FS III objectives, including applied research, policy extension/dialogue and teaching/mentoring. Salary increases have also been tied to good performance in the faculty member's areas of responsibility. Salary adjustments for NTS faculty have tended to be roughly equal, and at times even slightly higher, than tenure-system faculty to compensate for the increased risk of less secure employment. Increased pressure to publish may alter the ability of the Department to equally reward persons engaged in highly applied work such as FS III. NTS faculty who are eligible for promotion may be concerned about their ability to achieve promotion if the same publication standards are applied to them as to tenure-system faculty.

### **7. Adapting to Funding Gaps**

Relative to expectations when the FS III Cooperative Agreement was signed, MSU has received through FY 2007 about \$1.3 million less in Core funding than expected. Associate Awards and related projects have compensated for part of the shortfall, but two major gaps have occurred in FS III funding. The first was an amount of \$310,000 in 2005-6 and the second was in 2006 in the amount of \$70,000. An important source of the shortfall was unexpected delays in receipt of expected Associate Awards, especially in Mali where the group decided to retain the existing professional team in place rather than

hire anew when the expected funds actually arrived. These shortfalls were absorbed by MSU through the risk-sharing formula. In addition, the group realized cost savings by encouraging the early departure of some NTS faculty, did not renew the contracts of some professional and support staff in the field, and terminated the financial support for some graduate students (all of whom managed to arrange other funding or finished their programs with their own funds).

## **8. Management Structure**

An important change in management structure and approach has been implemented that spreads the management function more broadly as FS activities and reporting requirements have increased, both with USAID and other funding sources. Formerly, two co-directors were assigned for the Leader Agreement (Weber and Staatz) and additional faculty served as co-directors for the Associate Agreements for which they are research leaders. This approach concentrated the leadership tasks and management functions for the Core but placed some of the management oversight close to the persons deeply involved in the substance of the research and outreach activities.

A new management partnership model was developed at the end of 2005 in recognition of the increased complexity of seeking and managing funds from a wider variety of sources, the impending series of retirements of senior faculty, and, later, the decision of Weber to accept a policy advisor role in the large Zambia Associate Agreement. First, the role of the co-directors as the chief contact points for USAID-managerial staff was retained but a major change was made by adding Crawford and Boughton as FS III co-directors. With his move to Zambia, Weber is expected to move away from overall management of the Cooperative Agreement and focus on the Zambia component, while Staatz is expected to reduce his management responsibilities as Crawford and Boughton increase their involvement. Second, explicit responsibility for coordination of various parts of the FS III Core work plan were assigned to different members of the FS III team, rather than putting most of that burden on the co-directors. Third, more management responsibilities for specific in-country add-ons were distributed to the various principal investigators.

## **9. University Plans Affecting Future International Activities**

MSU is undertaking several steps to enhance its leadership in international activities among universities and position itself to respond to the opportunities created by the changing global economy. First, the president, Lou Anna K. Simon, has espoused a concept of a world grant university in which MSU would aspire to develop a global network of partner institutions. There have been suggestions that MSU should strengthen its work with China and Brazil because of their emerging importance in the world. Kim A. Cox, Provost and Vice President for Academic Affairs, and Jeffrey M. Riedinger, Acting Dean, International Studies and Programs reaffirmed their commitment to maintain MSU's international strength, especially in Africa, even in difficult financial times. One example is that central administration is looking at possible joint or sandwich degrees with select foreign institutions in regional hubs. Locations in West, East and

Southern Africa are being considered. Moreover a Quality Fund has been created and one of the uses will be as a source of bridge money from central administration to partially support the salary of selected key new faculty hires in strategic international areas across the university. The College of Agriculture is being considered for financial assistance in the hiring of four new international oriented faculty positions. The Department of Agricultural Economics would like to eventually hire four new faculty members to continue its commitment to the international area, but it is unclear if they will be specifically targeted for FS.

The College of Agriculture and Natural Resources has announced that it will launch a series of internal “discussions” about key international efforts, including study abroad, the Institute of International Agriculture, and Food Security programs. These activities were selected because of their importance in transcending a single department. These discussions will be conducted in conjunction with the Provost’s office and are likely to begin in late February or early March. The aim is to lay out strategic options for these programs and assist in determining the decisions and investments the university needs to make with respect to them.

## **10. Use of Core Funding**

Core funding provides critical resources to MSU that contribute to meeting the objectives of the Cooperative Agreement. Associate Awards and related projects provide complementary resources but are not perfect substitutes. Examples of the uses made of core funds are outlined in this section.

### Cross-cutting learning and syntheses

Core funding provides opportunities for the FS faculty to engage in cross-country work that generates insights into lessons that are broader than the findings of individual country studies. These findings provide guidance on policy prescriptions for Africa, and contribute to publications that synthesize important features of African development and USAID project experiences in the region. Key examples include a comparison of the experiences of Mali and Niger in managing the 2004/5 food crisis, comparative experiences with strategies for food market restructuring, the impacts of HIV-AIDS across four countries, development of techniques for strengthening and managing agricultural information systems, and analysis of the distribution of land and other assets among farm households and the implications for market-led growth. Moreover, the empirical results concerning small farmers as net buyers and net sellers of cereals are shaping some of the policy recommendations for African agriculture being debated now for the World Bank 2008 World Development Report.

### Contribute to regional organizations and programs

Core funds are being used to strengthen FS links with INSAH in West Africa, and with COMESA, FANRPAN and East and Southern African Programme for Agricultural Policy Analysis (ECAPAPA) in eastern and southern Africa. They are contributing to

MSU leadership in CAADP working groups, to the work being done with Economic Community of West African States (ECOWAS), International Institute for Tropical Agriculture (IITA) and IFPRI to develop country compacts in West Africa (initially in Mali and Niger), and to respond to SAKSS requests for information and analysis to build up the SAKSS framework. Core also contributed to work with the Partnership to Cut Hunger and Poverty in Africa, which helped build policy dialogue in Mali, Uganda, Nigeria, and Mozambique at the highest levels and in providing advice to the Malian Government on food security policy through the national partnership committee. MSU just signed an agreement with COMESA to strengthen the CAADP processes in southern Africa.

#### Develop analytical and training tools

The Food Security and Food Policy Information Portal for Africa and the import-parity price forecasting model were developed with core funding and are now used in national and regional programs (e.g. USAID/Mali-supported local internet centers located in rural and secondary towns in Mali, which feature the Food Security Portal as a key element of their websites, and links to the INSAH program in Mali). Survey training materials have been created and widely disseminated in English, French and Portuguese to strengthen the skills of in-country researchers and graduate students. Work was done to incorporate the AGORA FAO/university on-line documentation system into regional training programs carried out at the Polytechnical Institute for Rural and Applied Research (IPR/IFRA) in Mali, the INSAH project in Mali, and Portuguese training programs in Mozambique. MSU worked with FAO and the Cornell University Mann library to translate the AGORA and HINARI training materials into French and Portuguese.

#### Seed capital and bridge funds

Core funds have been used to develop proposals that eventually resulted in Associate Awards (e.g. Zambia, PASIDMA in Mali, Kenya) and several closely related projects. They have also been used as shock absorbers to bridge funding gaps and retain a critical mass of expertise to respond to future USAID demands (e.g. Mali, Ethiopia, and Rwanda). Given current financial constraints, that will not likely occur in future projects.

#### Strengthen human capital

Students have been recruited and supported on core funds before country funds have become available or after such funds ended so they could complete their programs. In the first three years of the Cooperative Agreement, funds from FS III Core, Associate Awards and related projects were used to support 20 African graduate students in Agricultural Economics and Economics and an additional nine non-Africans who plan to pursue development careers. The African students are usually integrated into research on African issues (typically their home countries) so they contribute directly to their country's development and are encouraged to return to productive careers at home when they complete their degrees. Core funds have been used by Margaret Beaver to train

graduate students in the Department of Agricultural Economics in the use of SPSS, and to bring in special speakers for Department and African Studies Center seminar.

The cost of supporting graduate students is rising with tuition increases. Students with a graduate research assistantship receive 9 credits per term of in-state tuition (i.e., the University grants a waiver of matriculation fees and out-of-state tuition charges), medical insurance, and a monthly stipend. The 26% indirect cost rate is charged on these items. The total annual cost is now approaching \$35,000.

#### Outreach, institutional memory, information sharing and responding to requests

Core contributes to the dissemination of findings to USAID and other organizations such as the World Bank, IFPRI, Department of Foreign International Development (DFID) and the Rockefeller Foundation through the preparation of publications, postings on the Portal, interaction with USAID officials, participation in meetings, workshops and conferences, and briefings with decision makers. It also supports the responses by FS III staff to USAID requests for information, analysis, and feedback on policy issues under discussion in Washington and the field. Other USAID cooperators and contracts are also given information and briefings as they conduct activities in countries or subject matter areas where FS III has worked, and the FS III staff assists others to use the data collected under FS III in their research.

#### Project administration

Project administration and accounting oversight have been strengthened by core, and FS III support staff has made field visits to assist in-country management staff to develop and maintain proper oversight of imprest funds used in the operation of field offices. An important issue faced by the FS group is how to obtain and pay for more administrative help in order to diversify the funding base further with the associated increase in demands for proposal preparation and reporting.

### **V. Key Findings**

#### **A. FS III is Highly Integrated Into Policy Processes at the Country and Regional Levels**

In both Mali and Zambia, the FS III programs were highly integrated into the agricultural policy formulation processes. MSU, through the various iterations of support to the GOM and the other agricultural sector stakeholders, has provided analytical support for the reform of cereals marketing and led in the design and institutionalization of the Malian Market Information Service, which is arguably the strongest and most efficient in all of West Africa. FS III has also been instrumental in assisting the GOM in establishing the new Food Security Commission within the office of the President to guide policy research and debates on sector issues. FS III made significant contributions to Mali's National Food Security Strategy, and in collaboration with other USAID-funded governance activity, worked at the commune level to assist local governments establish

local food security strategies. During the Assessment Team's visits with GOM officials and private sector groups, all were highly appreciative of the program's work and assistance throughout the years in guiding and setting sound food security policies.

In Zambia, FS III has established itself as an independent and objective broker of policy research and implementation with both the GOZ and the many agricultural sector stakeholders. The Agricultural Consultative Forum process has proven to be an effective venue for bringing the many agricultural sector constituents together to debate policy options. The FS III research is considered vital to guiding the debates by providing the necessary data and analysis to measure the effects of current policies and of potential reforms. As with Mali, the FS III research has led to important policy initiatives that have assisted the country in establishing an improved environment for agricultural sector growth.

FS III has also been highly integrated into regional programs throughout Africa. Beginning in the 1980s, MSU was an early partner with the Institute du Sahel in providing research, training, and policy guidance on agricultural marketing and other food security issues. Currently, FS III is working with ECOWAS and COMESA in the implementation of efforts to assist countries in meeting the goals of CAADP. The FS III approach of collecting cross-country data helps in analyzing regional food trends and in doing comparative studies to inform debates within regional institutions on trade and food policies.

## **B. FS III has Provided Critical Guidance in the Policy Process**

FS III has been integral to the policy making process in the countries where it has been active. Establishing and implementing sound agricultural sector policies are becoming more important for African governments as they respond to increased democratic empowerment and the need for regional and global market integration. Improved and enabling policies are also a key measure of a country's performance in the eyes of many of the bilateral and multilateral donors as funding and lending decisions are made. The key element in the overall policy formulation process is the analysis and research that supports policy choices. Without this research, most countries would rely on conventional wisdom as to how to deal with food security issues, i.e. close borders in the face of a food crisis, set artificially high farm gate prices, and subsidize inputs, etc.

The FS III empirically-based research has served to guide the policy making process. In Zambia for example, the FS III contributions have been many including the rescission of the VAT on agricultural inputs, reduction of local taxes on the movement of maize across district borders, abolition of import duty on maize from non-COMESA countries, and the analysis of the national budget for agriculture. In each case, FS III research was able to identify the impacts of policy choices and serve to inform key stakeholders and the GOZ of improved policy options. FS III's innovative use of cross-country panel data enables comparative analysis between countries and over time to track the evolution and effects of policy changes, production trends, and other market dynamics.



### **C. MSU has Demonstrated Consistent Long-Term Commitment to Food Security in Africa**

FS III has achieved a level of credibility with African governments and important stakeholder groups over the years as a result of its long-term commitment to Africa. In Mali, for example, MSU/food security has been a tried and true partner since the persistent droughts and food crises of the 1980s. While USAID funding has been the principal driver of this involvement in Africa, there is no doubt that the Department of AEC and the greater university, over the years, has also made accommodations to pursue this commitment and maintain the expertise required to implement quality research and development programs for USAID and other donors. By working long-term in selected countries, FS III has compiled data sets, including panel data, which permit it to engage in analysis not possible through one-time surveys.

MSU has been highly successful in adapting work under food security to the overall mission of the university, and to effectively hiring, promoting and providing salary increases to both tenure stream and NTS faculty working on food security in Africa. The general perception is that these persons have been treated roughly on par with faculty holding other appointments. It was a pioneer in introducing rolling fixed term contracts as a way to recruit the high quality NTS faculty needed to meet the objectives of projects funded by USAID and other sources.

Conversations with faculty and administrators suggest that some tension is beginning to emerge as the Department of AEC acknowledges the need to raise its visibility in journals and other professional fora, and works towards the objectives reflected in the Department's statement of "Strategic Intent: Performance Goals and Objectives." Fundamental differences of opinion will likely emerge when considering the type of faculty to hire to replace eventual retirements. On the one hand, those keen on enhancing professional visibility will argue for hiring bright young people trained in the latest theories and research methodologies, capable of teaching new developments to graduate students, and possessing the potential to publish in top quality journals. On the other hand, those closest to the food security field work will argue for hiring people more like themselves in terms of interests in practical development problems, devotion to capacity building in Africa, and the inclination to work with USAID and other donors in implementing time consuming projects that often do not provide as many top-notch publication possibilities. Working to meet CAADP objectives is the best example of the need for mature and seasoned veterans with the patience and diplomacy to engage long-term with African stakeholders in ways that do not facilitate professional output. These tensions will likely increase in the near future when various administrative units in the College of Agricultural and Natural Resources interact with the Provost over the future direction of international activities and the hiring of new internationally-oriented faculty. Perceptions about the availability and risk associated with future funding from USAID and other donors will undoubtedly influence the debates about these issues and the decisions that will be taken.

#### **D. MSU has Made Substantial Contributions to Capacity Building**

Capacity building and institutional strengthening have always been key features of MSU's approach to African development. These efforts have included both long-term degree training and shorter-term in service training. The "joint-product/interim report" approach has effectively integrated research, capacity building, and outreach by working with and training local researchers which improves research quality and creates local analytical capacity. In addition to country-level programs, MSU has worked extensively with African regional institutions and trained personnel in a range of skills such as survey design and data analysis. As indicated in Section III. A. 5, of this report, over the years, the Department of AEC has trained many African students in graduate degree programs. These graduates, in many cases, have gone on to positions of importance in their countries and with international organizations.

#### **E. Other Donors Look to FS III for Policy Leadership on Food Security**

FS III has effectively partnered with other donors on common concerns, and several donors look to FS III for leadership in policy analysis. This is most evident in Zambia where SIDA has agreed to partner with FS III in the implementation of the PROACTIVE associate award. Also, MSU, through the different food security programs in Mali, has been a leader in cereal marketing analysis and dialogue with the GOM and other donors. MSU was a leading voice within the multi-donor market restructuring program, and as part of that effort, was the driving force for the development and implementation of the market information system and the establishment of the Food Security Commission.

For the World Bank's Africa Fertilizer Strategy Assessment, FS III was asked to provide major input based on its work in east and southern Africa. Currently, FS III staff is working with the World Bank on its the 2008 World Development Report. The World Bank is also providing funding to FS III for a multi-country review of the impact of cotton sector reforms in sub-Saharan Africa. The Rockefeller Foundation has asked FS III to undertake an analysis of maize marketing and trade in southern Africa to identify changes in policies, institutions, and public investments that can reduce costs and risks to maize marketing and make markets work better for the poor. Given FS III's experience in establishing market information systems within Africa, the CIPE requested a comparative analysis of the experiences in Mali, Mozambique, and Zambia in building public agricultural market information systems that incorporate private sector trade organizations as effective partners in providing and diffusing information.

#### **F. The FS III Program is highly consistent with CAADP Pillars and Foreign Assistance Framework Program Areas**

The FS III program is highly consistent with both the CAADP pillars and the newly developed Foreign Assistance Framework Program areas. Core funding provided in 2006 by AFR/SD has a specific objective for supporting the CAADP process, and FS III is assisting COMESA and ECOWAS in responsibilities for facilitating the development of country-level CAADP compacts. Additionally, within the current 2005-2007 Work Plan,

FS III tracks CAADP indicators within both core-funded and associate award programs. Within the ongoing reforms of the U.S. governments Foreign Assistance program, USAID and other assistance agencies have developed a new series of Foreign Assistance Program areas intended to guide sector programming, budgeting and reporting to Congress. Agricultural interventions fall within the Economic Growth Program area with three Program Areas: 1) Agriculture Enabling Environment; 2) Agriculture Sector Productivity; and 3) Program Support. In reviewing the current FS III, current interventions are extremely consistent with the program content of virtually all of these strategic areas. Currently, all USAID implementing partners have been charged with developing Operational Plans for their areas of intervention, and FS III is currently undertaking this process.

## **VI. Recommendations**

### **A. Renewal of the Cooperative Agreement**

The objectives of the FS III Cooperative Agreement continue to be relevant for Africa, and provide a mechanism through which USAID can quickly respond to African food security issues and problems. At a minimum, therefore, USAID should renew the Cooperative Agreement for another five-year period. By so doing, MSU will continue to retain a framework through which it can efficiently seek buy-in funds to meet specific mission food security objectives. The renewal will also give NTS faculty a longer time horizon for use in evaluating their continued relationship with food security work at MSU.

### **B. Provide Additional Core Funding for the Cooperative Agreement**

Core funding is critical for MSU's successful completion of the Cooperative Agreement objectives. Funds from missions and other sources are important in supporting country-specific objectives, but cannot substitute for core funds. Core funding supports cross-cutting learning and synthesis, contributions to CAADP and other regional initiatives and programs, and the development of analytical and training tools, seed capital for project development and bridge funds between projects, strengthening human capital, and project administration. USAID obviously faces competing uses for scarce resources. The amount of funding provided to core must be considered in terms of what will be lost if funds are not provided. FS III will necessarily need to cut back on some activities, and contracts of key staff may not be renewed. This will reduce FS III's capacity to seek other funds and deliver good results. A significant reduction in core funds will be considered as a signal about future prospects and will likely cause shifts in attitudes at MSU as academic units plan for the future.

### **C. Work Toward Enhanced Sustainability of the FS III Program**

Several activities related to FS III are mostly or entirely dependent upon donor funding while others have been converted to sustainable status. Most, if not all, of FS III research is conducted with donor funds so the future of this most important part of the Cooperative

Agreement output is vulnerable to future funding constraints and shortfalls. In Zambia, for example, the innovative Agricultural Consultative Forum, through which the research results are channeled to and debated by stakeholders, is entirely funded by donors so this important institutional mechanism is vulnerable. Fortunately, the institutionalization of the information and exchange functions of the ACF are explicit issues to be dealt with under the new USAID/Zambia PROACTIVE Associate Award. The resolution of sustainability issues of other projects, however, does not appear to be adequately programmed in the current work plan. A review of the status of the key components of FS III work in all countries and an explicit objective of reviewing alternative models for organizing, maintaining and funding institutional capacity should be added to the work plan and explicitly funded during the five-year renewal. This would help assure that USAID's considerable support for food security in Africa will continue as a permanent contribution to the region's development.

#### **D. Expanded Dialogue and Improve Communication with USAID in Setting Program Priorities**

USAID needs are continuously evolving as the agency strives to meet its foreign policy objectives in the face of declining budgets and competing claims for resources. Moreover, the role of U.S. bilateral assistance needs to be evaluated as new actors, such as the Gates and Clinton Foundations and the private sector, are becoming more active in the field. MSU, like all partners, needs to be cognizant of this reality and recognize the challenges this presents to USAID for justifying continuous long-term support for one priority such as food security. On the one hand, there is no disagreement that MSU in this Cooperative Agreement should continue to focus exclusively on Africa. It clearly has a comparative advantage in research and capacity building in the region, and as the source of information and institutional memory for USAID and other donors on regional food security issues and strategies for market development.

On the other hand, some differences of opinion have emerged between some members of the USAID staff and MSU about the general thrust of the Cooperative Agreement and/or some of its current priorities. There is a sense that on occasion the two organizations are committed to their respective approaches and priorities and are not really listening to each other. A deeper and more thorough dialogue is needed between the two parties on several issues. For example, should the general thrust of the Agreement shift to a somewhat broader perspective in which economic growth and poverty alleviation become the primary objectives with food security being a desirable outcome? Can additional analysis be done to exploit the investments already made in existing data sets to contribute to this broader framework? Considering the objective of producing generalizable results, what are the tradeoffs between more intensive work on food security issues in existing countries versus targeting new countries that might present different conditions and problems? Is additional analysis on HIV/AIDS consistent with USAID's current programmatic thrusts in Africa? How can MSU contributions to CAADP and other regional initiatives be shaped so they are more consistent with academic objectives of creating and disseminating new knowledge?

Additional thought needs to be given by both MSU and USAID about how to strengthen the long-term sustainability of the MSU model of research, policy guidance, training and institution building in light of declining foreign aid budgets and the emergence of new actors in the field. Are more cost-effective models becoming available? What opportunities are emerging, such as new public-private partnerships, which may support these activities, and thereby, reduce the magnitude of funding required from USAID?

Some of the FS III faculty and their views are well known to USAID staff while other faculty are hardly known and infrequently seen in Washington. MSU needs to put more effort into disseminating its findings in Washington, into building and strengthening constituencies for its views and recommendations, and into dialoguing with new persons in the agency who may become allies in support of its work and potential financial supporters of it. This will also give the FS III faculty more opportunities to understand the pressures and constraints faced by USAID staff. This interaction may produce additional ways for MSU to contribute to a deeper understanding of African agricultural development challenges.

#### **E. Provide Stronger Leadership on Key Issues Facing African Development**

As documented in this report, FS III research has provided excellent insights into the many aspects affecting agricultural development in Africa. This research is well-respected by USAID as well as many other donor groups. In discussion with USAID technical staff, there was a recommendation that FS III could take on a more aggressive leadership role in leading focus group discussions within USAID to further the thinking on the and approaches to agriculture development. Many consider that this could make an important contribution to the debate on the strategic importance of agriculture to the current Foreign Assistance process. Additionally, as the agriculture technical staff continues to decrease within USAID, and agricultural budgets and programs continue to be reduced due to other strategic exigencies, key implementing partners need to fill this intellectual void to assist agricultural constituencies within and outside of USAID in influencing decisions on funding for agricultural programs. To this end, in collaboration with USAID technical staff, FS III should initiate discussions on how best to pursue focus group discussions to further the knowledge base on African agricultural development.

#### **F. Improve Responsiveness to Assistance Requests from USAID Field Missions**

In the course of the assessment, FS III staff indicated that FS III cannot respond to all mission requests for assistance, essentially, because of staff shortages with no long-term commitment of funding from the missions, and, in some cases, inconsistencies of the request with the core objectives of FS III. While the spirit and intent of a Cooperative Agreement is to build capacity for a partner in a particular development area, the mechanism is also intended to enable collaborative partners to provide vital field support to missions, if the objectives of the assistance request are consistent with the objectives of the agreement. This Assessment Report has pointed out how MSU through the various Food Security programs has built up a well-respected center of excellence for food

security research and outreach in Africa. As such, this expertise and institutional memory needs to be used to its maximum utility and be available as much as possible to all USAID missions in Africa. To this end, FS III should give all assistance requests from field missions strong consideration and pursue options for providing that assistance when the assistance request is consistent with FS III objectives.

## **Annex 1: List of Persons Contacted**

1. Michigan State University campus, January 15 – 18, 2007
  - a. Administrators
    - Lou Anna K. Simon, President
    - Kim A. Cox, Provost and Vice President for Academic Affairs
    - Jeffrey M. Riedinger, Acting Dean, International Studies and Programs
    - Jeffrey D. Armstrong, Dean, College of Agriculture and Nat'l Resources
    - Frank A. Fear, Senior Associate Dean, College of Agriculture and Natural Resources
    - Steven G. Pueppke, Director, MSU Agricultural Experiment Station
    - Thomas G. Coon, Director, MSU Extension
    - Steven D. Hanson, Chairperson, Dept. of Agricultural Economics
  - b. FS III Team
    - Duncan Boughton, Co-Director
    - Eric W. Crawford, Co-Director
    - John Staatz, Co-Director
    - Michael T. Weber, Co-Director
    - Cynthia Donovan
    - Steve Longabaugh
    - David L. Tschirley
    - Several graduate students
    - Cheick Oumar Diarrah, Visiting Scholar, Mali
  - c. George Gardner, EGAT/AG, AID/W
  - Will Whelan, DCHA/FFP, AID/W
  - Jeff Hill, AFR/SD, AID/W
  - Tom Hobgood, AFR/SD, AID/W
2. Zambia, January 23 – 27, 2007
  - a. FS III team
    - Thom Jayne
    - Steve Haggblade
    - Jones Govereh
    - Antony Chapoto
    - Munguzwe Hichaambwa
    - Stephen Kabwe
    - Misheck Nyembe
  - b. Local institutions
    - Dann E. Griffiths, USAID/Zambia
    - Ballard A. Zulu, USAID/Zambia
    - Chance Kabaghe, Amanita Group of Companies

Hyde Haabtubam, Coordinator, Agricultural Consultative Forum Secretariat (ACF)  
 Klaus Doppelmann, Monitoring and Evaluation Expert, ACF  
 Anthony Mwanaumo, Exec. Director, Food Reserve Agency  
 Daniel Daka, Head of Agricultural Branch, Central Statistic Office  
 Julius J. Shawa, Director, Policy and Planning, Ministry of Agriculture and Cooperatives  
 Richard Mubukwanu Kamona, Deputy Director, Department of Agriculture, Ministry of Agriculture and Co-operatives  
 Mwase Phiri, Chief Vegetables and Floriculture Officer  
 Joseph Nkole, National Coordinator, Cotton Association of Zambia  
 Maureen Chitundu, Food Processing Specialist, Programme Against Malnutrition  
 Brighton Mulonga, Feed Company  
 Prisca Shapole, Standards Officer, Zambia Bureau of Standards  
 Ellah A. Chembe, Economics, Zambia National Farmers Union  
 Pius Chilonda, International Water Management Institute, SAKSS  
 A.W.E. Isherwood, Vice Chairman, Dunavant, Zambia Limited  
 George Liacopoulos, Managing Director, Zdenakie Ltd.  
 Chris Muyunda, Senior Agricultural Advisor, COMESA  
 Pedro de Figueriredo, First Secretary, SIDA

3. Mali January 29-March 2, 2007

- a. FS III team  
 Nango Dembel  
 Abdramane Traore

- b. Local Institutions

Baba Traore, Demographer, Institut du Sahel  
 Amadou Moustapha, Director General, Institut du Sahel  
 Aguibou Coulibaly, Information Management Technician, Institut du Sahel  
 Amadou Diarra, Sahelian Pesticides Committee, Institut du Sahel  
 Dario Berardi, Consultant on data analysis and programming, working with the Institut du Sahel  
 Fadima Diarra, Director of Data and Documentation, Institut du Sahel  
 Laomaibao Netoyo, Director of program on socio-economics, Institut du Sahel  
 Jean Harman, Economic Growth Team Leader, USAID/Mali  
 Amadou Camara, Agricultural Economist, USAID/Mali  
 Ram Shetty, Research Advisor, USAID/Mali  
 Hannah Baldwin, Democratic Governance Team Leader, USAID/Mali  
 Cheick Bocoum, Head of Studies and Projects, Ministry of Malians Abroad and of African Integration



LansryNana Yaya Haidara, Commissioner, Food Security Commission  
Ibrahima Djire, Director of Documentation, Food Security Commission  
Brahima Sangare, Chief of Planning and Monitoring, Food Security  
Commission  
Diallo Aissata Traore, Food Security Commission  
Daouda Tangara, Chief of Cabinet of the Presidency  
Mamadou Kante, Director, Program of Shared Governance  
Souleymane Keita, Director of Exterior Relations, West African Network  
of Agricultural Traders  
Pierre Traore, Market Information Service  
Francis Keita, Market Information Service  
Bouba Tangara, Secretary General, Bamako Regional Chamber of  
Agriculture  
Fafare Samake, Director General, Polytechnical Institute for Rural and  
Applied Research  
Karamoko Soumounou, former President of the Chamber of Agriculture  
Bino Teme, Director General, Institute of the Rural Economy

## **Annex 2: Itinerary**

### **Zambia Itinerary: January 22-27, 2007**

#### ***Monday, January 22***

Arrived 20:00, received a large number of government documents for review

#### ***Tuesday, January 23***

08:00 Press briefing

11:00 FSRP briefing on project partners (Govereh, Kabwe)

14:15 USAID: Jan Nijhoff, Dann Griffiths, Ballard Zulu

SIDA: Pedro de Figueiredo

World Bank: Alex Mwanakasale

#### ***Wednesday, January 24***

08:00 FSRP briefing on Theme 1. maize marketing (Jayne, Chapoto)

09:30 Interviews:

Government: Julius Shawa, ACF: Hyde Haatuba, FRA: Anthony Mwanaumo,

Private: George Liacopolous, CSO: Daniel Daka

#### ***Thursday, January 25***

8:00 FSRP briefing on Theme 2, export crop diversification (Govereh, Kabwe)

9:30 Meetings with cotton people

Interviews:

Government: Dr. Richard Kamona, CAZ

Joseph Nkole, Private (Dunavant), Tony Isherwood

Kwacha Report people: John Fynn, ZNFU

12:30 Lunch with Jayne and Haggblade on COMESA

15:00 COMESA meeting to sign MOU

#### ***Friday, January 26***

8:00 FSRP briefing on Theme 3, foodcrop diversification and cassava task force (Haggblade)

9:30 Meetings with cassava people

Interviews:

PAM: Maureen Chitundu, ACF: Klaus Droppelman, Private (Tiger Feeds):

Brighton Mulonga, Government: Prisca Shapole (ZABS), LDT: Joseph Simbaya

#### ***Saturday, January 27***

08:00 Wrap-up with FSRP team

## **Mali Itinerary: January 28-February 2, 2007**

### ***Sunday, January 28***

12:45 Arrived in Bamako via Kenya Airways 0512 from Nairobi.

19:00 Dinner with John Staatz

### ***Monday, January 29***

9:00 To PROMISAM project office

9:30—11:30 Overview of MSU activities in Mali: John Staatz and Abdramane Traoré.

13:00—15:00 USAID/Bamako staff: Jean Harman, Amadou Camara, and others.

15:30 – 17:00 Further meetings at PROMISAM office to review project activities, especially with the Commissariat à la Sécurité Alimentaire (CSA), including discussion of MSU participation in West African CAADP activities. John Staatz and Abdramane Traoré

### ***Tuesday, January 30***

8:30 Pick up from hotel. Travel to OMA

9:00 – 10:30 Meeting with staff of Malian agricultural market information system (OMA).

10:30—11:00 To Malian National Food Security Commission (CSA)

11:00—12:30 Meeting with key collaborators (technical team) in the CSA: Bréhima Sangaré (Director of the Department of Planning and Monitoring), Mme Diallo Aïssata Traoré (PROMISAM's national counterpart in the CSA) and Ibrihima Djiré (Director of the CSA Documentation Center) to discuss PROMISAM work and future perspectives.

14:30—17:00 Meeting with Institut du Sahel (INSAH) to discuss regional work.

### ***Wednesday, January 31***

10:00 – 11:00 Meeting with Daouda Tangara, Chief of Staff of the Presidency.

11:00 To Malian College of Agriculture (IPR/IFRA) at Katibougou, with intermediate stop at the market information office in Koulikoro.

12:30 – 4:00 Arrive in Katibougou. Meeting with IPR/IFRA about how MSU collaboration has contributed to capacity building in Mali.

***Thursday, February 1***

9:00 – 9:30 Meeting with Boubou Tangara, Secretary General of the Bamako Regional Chamber of Agriculture and former national coordinator of the market information (PASIDMA),

10:00 – 10:30 Meeting with Cheick Bocoum of the Ministry of Malians Abroad and African Integration about MSU's contributions to the NEPAD/CAADP process as well as other MSU contributions to Mali's food security.

11:00 – 12:00 Meeting with Bino Temé, Director General of Mali's national agricultural research service (Institut d'Economie Rurale—IER) to discuss MSU's contributions to the agricultural research process in Mali and its role with the Malian national committee of the Partnership to Cut Hunger and Poverty in Africa.

13:30 – 14:00 Meeting with Karamoko Soumounou, former President of the Permanent Assembly of the Chambers of Agriculture of Mali (APCAM) on MSU's contribution to improved market information and strengthening APCAM. At Hotel Kempinsky.

14:00—15:00 Meeting with Souleymane Nimaga and Souleymane Keita of CONESAM, the Malian Association of Agro-dealers on MSU's contributions to fostering regional agricultural trade (via PASIDMA).

15:30 – 16:00 Meeting with Mme. LANSRY Nana HAIDARA, Food Security Commissioner.

***Friday, February 2***

8:00—9:30 Wrap up session with USAID.

10:00—11:00 Wrap up with MSU staff

### **Annex 3: Assessment Scope of Work**

1. Background: FS III was openly and fully competed in 2002, and then awarded to the Department of Agricultural Economics at Michigan State University as a cooperative research agreement (GDG-A-00-02-00021-00) utilizing USAID's Leader with Associate procurement mechanism. The awardee has now completed four years of work, and the Agency anticipates extending the cooperative agreement for an additional five years (for a total of ten years). According to the cooperative agreement, an external evaluation is to be conducted prior to the extension of the program.

FS III is, in fact, essentially a continuation of earlier cooperative research agreements (FS I & II) completed by the Department of Agricultural Economics at Michigan State University (MSU). When combined with FS III, MSU now has conducted more than 20 years of applied research on Africa food security and closely related issues such as policies, markets, safety nets, market information systems, etc. MSU's core team constitutes a critical portion of the Agency's institutional memory regarding sub-Saharan African agriculture. During these years, they have trained scores of African students, some of whom has emerged as national leaders in their respective nations.

The impact assessment will be conducted by a team composed of two non-USAID (and non-MSU) specialists with demonstrated research and technical assistance experience in appropriate disciplines related to food security. It is desirable for one, or both, of the assessors to have had extensive development experience in Africa, in policy research and analysis, and with USAID and to speak and read French. The EGAT/AG project officer, representatives from the participating AID/W bureaus (AFR, EGAT, DCHA) and field missions, and MSU representatives will serve as resource persons for the evaluation team. In particular, the evaluation team should meet and consult extensively with Dr. George Gardner, EGAT/AG, Dr. William Whelan of DCHA/FFP, and Mr. Jeff Hill of AFR/SD, all based in AID/W.

2. The assessors will review:

- a. Progress in accomplishing the goal, sub-goal, and purpose of the project as described in the Program Description with particular focus on:
- b. The extent to which the outputs have been accomplished - not just during recent years, but during the last ten years, the quality of outputs produced, and the contribution of the outputs to the accomplishment of the project's higher-level objectives; to show the long-term nature of policy reform, and what can be accomplished if USAID makes a long-term commitment; and
- c. The appropriateness and adequacy of inputs;
- d. The effectiveness of the project in supporting the objectives of IEHA in the region in general, and the IEHA countries in which FS III is working in particular;

e. The effectiveness of FS III in informing the CAADP of NEPAD on agricultural policy issues and options; what activities has the project undertaken in direct support of CAADP? How is the project contributing to setting strategic direction for the implementation of CAADP pillars? What more can be done to assist the CAADP process? Should the project be more closely aligned with CAADP?

f. And what have been the roles of core funding and the role of mission buy-ins to achieve these results.

A major focus of the assessment will be the institutional and people-level impact of policy reforms implemented by these institutions over the years in nations where MSU has been engaged;

g. Success in African capacity building;

h. Success is establishing and maintaining African and U.S. institutional memory.

3. The assessment will also review whether major management and technical problems exist, and propose solutions to improve project implementation.

4. A summary of project activities and impacts will be completed by MSU staff prior to the assessment and will be verified by the evaluation team and referred to in its report.

5. The assessment should contribute information that will be helpful to USAID in determining whether extension of the project is desirable and, if so, any major design changes during a next 5-year phase. This period gives an opportunity to revisit several issues such as substantive scope and geographic focus. USAID is experiencing major changes in strategic direction, funding levels, and in the way that it is doing business. For example, how does FS III align with current program elements and indicators of the FA framework? FS III should be reviewed within the broader context of the total mix of field support mechanisms in food and agricultural policy. Thus, there is a need to review a range of options for implementation. Issues that USAID will want to include are the following, but not limited to:

**Substantive Scope:** Whether FS III should continue to focus on food security, with an emphasis on market development, or something broader or narrower, for example, targeted food aid or off-farm income sources? Should the project be more closely align with CAADP? Whether the objectives and cross-cutting themes of a second phase of FS III should continue or should there be changes? If they should be modified, how? For example, some have suggested that the implications of HIV/AIDS should receive more/less attention. It would be particularly helpful to give specific suggestions for different or new topics.

**Regional Focus:** Whether FS III should continue to focus on Africa or is there sufficient demand to extend to other regions? It would be particularly helpful to indicate prospective demand including potential funding amounts (no firm obligations will be

inferred). If FS III continues to be confined to Africa, should the current form of management (by EGAT/AG) be continued, adjusted, or changed?

6. The specialists will prepare a written report, preferably of not more than 25 pages (not counting annexes) with a 2-3 page executive summary.

7. The evaluation team should visit at least two of the countries where FS III has Associate Awards under the master agreement to review first hand the results of the work, and to get direct feedback from as many of the end users of the research as is practical, given limited time and resources. At the very least, the evaluation team should review the recently completed evaluations of both the USAID/Mali and USAID/Mozambique Associate Awards made under FS III.

8. The evaluation should be conducted in January 2007, with the final report submitted to EGAT/AG no later than February 15, 2007.