



**BAYNARDS ZAMBIA TRUST**

**ACHIEVEMENTS AND CHALLENGES OF THE ZRDF  
PROGRAMME 2015**

**JANUARY 2016**

## **THANK YOU**

The BZT Trustees and the Trustees and management of ZRDF, BZT's Zambian delivery partner, are most grateful to donors for their financial support, which has funded the 2015 ZRDF programme.

## **ZAMBIAN CURRENCY**

A significant event during 2015 was the collapse of the value of the Zambian currency, the Kwacha (K). At the start of 2015 the exchange rate was reasonably stable around £1 = K10. By September the rate was £1 = K16 and in November fell further to £1 = K20. Zambia suffered along with other emerging countries whose economies are dependent on mineral exports. The turmoil in Chinese markets in August hit the currency value of all these countries. Glencore halting copper production at their Zambian mines further exacerbated the human and economic impact for Zambia.

In the very short term, BZT donor Sterling is buying more Zambian Kwacha. At the time of writing the rate has recovered to £1 = K16. With funding from BZT to ZRDF skewed to the first half of the year 2015 the average rate on the conversions for the year was £1 = K11.2.

However, BZT has to recognise the seismic impacts this sharp fall in value of the currency is having in a country very dependent on imports. Firstly, the reality of soaring inflation. In December, Zambia's inflation rate rose to an annual rate of 20.1%. This in turn is causing the Government to award large pay increases to their employees with increases of up to 29% being reported. Historically, ZRDF staff have followed Government pay levels. As well as staff pay, ZRDF costs of imported goods are increasing significantly.

Secondly, domestic interest rates have risen which will slow economic activity on top of the decline in mining output, all of which will cause a fall in Government revenues. Government funding in rural areas like South Mkushi is already limited and erratic; further shortfalls can now only be expected. This will create further pressure on ZRDF to increase support for the communities where they work.

The resulting uncertainties for the exchange rate and for ZRDF costs all incurred in Kwacha make budgeting for 2016 and planning for 2017/19 particularly challenging.

## **PERFORMANCE AGAINST PLANS FOR 2015**

2015 was the second year of the three year ZRDF 2014/16 programme of working in eight\* very isolated rural communities in the Mkushi District of Zambia, with an estimated population of 50,000. ZRDF continues to pursue a holistic approach so that the results of the positive changes made in the communities are owned by the communities themselves.

During 2015, many lives were further changed for the better by continuing to improve access to education with new facilities, by improving incomes through diversifying crops (in particular soya beans), by introducing more Savings and Internal Loan Communities (SILC) and by continuing to raise awareness and prevention of HIV and AIDS. All with the support and participation of the communities themselves.

\* the eight are the CRDP communities of Chinonya, Kapalembe, Nshinsu, Chipumfi and Chibanga and the Sakala communities of Busa, Kalungaleka and Misakala.

The **Outcomes** of the year are measured against the **Plans for 2015** set out in the January 2015 Report to donors:

**Objective:** “The new CRBs at Kapelembe and Kalungaleka will be completed; three teachers' houses will be built as will pupil toilets at three schools. Education materials will continue to be distributed to all the ZRDF schools”.

**Outcome:** With the strong participation of the communities, the two new classroom blocks have been completed and officially opened (in the presence of BZT Trustees). 3 teachers' houses have been completed with another due to be finished by March 2016. Pupil toilets have been built at 3 schools. As to educational materials, confusion and delay has been created by Government changes to school curricula and a Court case over the supplier of new books. ZRDF has taken the initiative and was able to procure 913 learning materials and 30 teachers' guides to supply 7 of the ZRDF schools for grades 5 and 6.

**Objective:** “ZRDF expect the number of farmers growing soya under their tutelage to increase to well over 200”.

**Outcome:** Soya bean yields were poor in the May 2015 harvest due to a very unseasonal lack of rain in February. Nonetheless, 98% of ZRDF loans for soya bean inputs were repaid to ZRDF and farmers have not been discouraged. The number of farmers with new ZRDF loans and sowing in December 2015 was 270 compared to 170 in December 2014. ZRDF facilitated pH soil testing for individual farmers to determine the level of lime treatment required. 611 farmers have, through farmers' groups, received marketing information about selling high value crops. 275 farmers were linked to marketing outlets. Appendix 2 contains case studies of how individuals and families are benefiting from growing soya.

**Objective:** “ZRDF has set a target of another 20 new SILC groups to be established in 2015”.

**Outcome:** SILC was a new initiative started in 2014 with the initial objective of having 40 groups up and running by December 2016. The success has been much greater than anticipated and by December 2015 60 SILC groups were functioning compared to 36 at December 2014, with the number of participating members increasing from 478 to 1,118, with 236 loans outstanding.

**Objective:** “BZT is considering a budget of Kwacha 2.04 million (£200,000) for 2015. A particular challenge for which funding is an issue, is the urgent need for a new vehicle to replace the Hilux which is in daily use by the programme staff to visit the communities along rough dirt roads. This vehicle is incurring excessive maintenance costs and is proving unreliable which is unsettling for the staff”.

**Outcome:** The actual ZRDF spending in 2015 was Kwacha 2.59 million made up of the original budget of K2.04 million plus the net cost of the new vehicle of K0.26 million plus other increases agreed by BZT of K0.29 million, as explained in more detail below.

**Objective:** “For some time ZRDF and BZT have been keen to record more reliable data on the outputs and impacts achieved by this programme. It had been the intention to acquire the services of university students to establish the process as part of a final year thesis. Senior university staff blocked this initiative but ZRDF is confident these barriers can be removed”.

**Outcome:** University of Zambia students undertook a study, but unfortunately they proved ill equipped to produce a report with the insights into tracking outputs and impacts that ZRDF was requiring. For what it is worth, the students strongly endorsed from what they saw the holistic community based interventions being undertaken by ZRDF. BZT/ZRDF are now implementing an alternative approach, which will design and operate an effective process for capturing impacts and outcomes. ZRDF has recently hired a suitably experienced individual.

## **FURTHER RESULTS IN 2015**

- As a further diversification of farmers’ incomes, ZRDF has been training 180 small-scale farmers in goat husbandry and has procured 60 female goats and 6 high pedigree male goats, the latter to improve the genetic pool.
- HIV and AIDS activities to reduce the rate of HIV infection and to enable those infected to live longer and better lives, have extended to expand the number of beneficiaries.

To these ends, ZRDF's programme consists of community sensitisation and education on issues including mother to child transmission, early marriages, child abuse and alcohol abuse. 64 community-based volunteers have been supported in their work. In terms of reach and impact:

- 883 individuals living with HIV have received support and specified treatments
- 2,218 community members have been reached with mobile health services.

In addition, one rural health facility has been rebuilt and 4 others have been provided with logistical support.

- 23 OVCs (Orphan and Vulnerable Children) were supported in secondary education through the ZRDF Bursary scheme.
- ZRDF continues, under the effective leadership of Brandy Mungaila, running this ZRDF programme in South Mkushi, based with his staff at an office in Masansa. BZT is enhancing the professional skills of Brandy Mungaila who is attending a long distance/partial residential MBA programme at Solusi University in Bulawayo and has now successfully completed 18 months of this three-year course.

- ZRDF's Board of Trustees continues to be chaired by Colin Williams, a Zambian resident with a distinguished record of working in development in Africa. The ZRDF Board met three times during 2015 and the Trustees have settled well into their role. The BZT Chairman is also a ZRDF Trustee and attended in person one meeting during 2015.

## **BZT and FUNDRAISING**

There have been no changes during 2015 to the Trustee Board of BZT, which met four times during the year. BZT Trustees visited Zambia three times in 2015 including two extended field visits. The audited accounts for the twelve months to December 2014 are available on the web site: [www.bzt.org.uk](http://www.bzt.org.uk)

As donors are aware, all UK and travel costs are funded personally by BZT Trustees, so no such costs are a burden to the ZRDF programme.

The BZT Trustees are extremely grateful to the donors who have funded this work in 2015, which include:

- Sinopec-Addax Petroleum Foundation
- The British & Foreign School Society
- Estelle Trust
- Fulmer Charitable Trust
- Hazelhurst Trust
- Hilden Charitable Fund
- Jamma International
- Maitri Trust
- PF Charitable Trust
- MPM Charitable Trust
- Rufford Foundation
- Savills
- Tula Trust
- The Educational and General Charitable Trust
- BZT Trustees
- And numerous other individuals.

## **FINANCE: BZT**

Management accounts for 2015 report total BZT income of £229,000 and expenditure of £255,378, of which £239,000 was remitted to Zambia. Trustee expenses of £16,000 were, in accordance with BZT policy, fully funded by Trustees' donations. BZT funds at 31<sup>st</sup> December 2015 were £75,000, a reduction from the previous December and equivalent to four months of remittances to Zambia.

## **FINANCE: ZRDF**

The Appendix contains a breakdown of the 2015 ZRDF spending. Some points to note:

- As last year, the apparent costs of the SILC initiative looks modest in part because ZRDF staff time has not been allocated.
- The cost of the new vehicle is net of the proceeds of selling an old vehicle.
- The Kalwa exit costs include converting the dormitory at Chibanga into a classroom block.

## **OBJECTIVES FOR 2016**

2016 is the third year of the 2014/16 programme and the planned activities will build on the progress in 2014 and 2015 as follows:

### **Promotion of Agriculture and Food Security:**

- Increase the number of farmers growing soya from 270 to 345.
- Provide 280 farmers with the opportunity to learn about growing cassava (a drought resistant crop) and anticipate 50 farmers will pilot the growing of cassava in the year.
- Over 700 farmers reached with marketing information of high value crops.
- Over 400 farmers linked to market outlets for the marketing of crops.
- 3 farmers' groups for goat management strengthened through training.
- 60 banana farmers provided with technical support.

### **Capacity Building and Skills Enhancement to Improve Incomes:**

- Crop diversification as above.
- Increase the number of SILC groups from 60 to 84.
- Establish a data base system to capture the performance of individual SILC groups.

### **Education:**

- Build 3 teachers houses and toilets.
- Provide educational materials to 10 schools aiming to reduce the textbook to pupil ratio to 1:2 for grades 5-7 for 5 key subjects. Three years ago, there was typically one textbook per class of 60 pupils, and sometimes none at all.

### **HIV and AIDS Prevention and Treatment:**

- 2,000 community members reached with HIV and AIDS awareness messages.
- 2,000 people reached and provided with HIV prevention, treatment and support programmes through mobile health services.
- 70 community based volunteers supported.
- 1,000 people living with HIV receive treatment.
- 200 PLHIV (People living with HIV) newly initiated on ART treatment services.

### **Investing in 2016 to prepare for the 2017/19 Programme:**

- Purchase of land for the establishment of an agricultural training facility.
- Appointment of an education officer.
- Commence engagement with four new communities.
- Establish a robust reporting system of outputs and impacts.

### **PLANS FOR NEW THREE-YEAR PROGRAMME 2017/19**

BZT has been working for the last six months with the Chairman, Trustees and management of ZRDF to explore and debate community needs looking forward three years. Consultations have taken place with both the existing and the potential new communities. This feedback, combined with BZT's own experience and advice from a number of informed donors, has led to the following tentative conclusions for the shape of a 2017/19 ZRDF programme:

- A high confidence that the present holistic model with multiple interventions driven by community commitment is proven and should be continued. It is recognised how critical it is to raise subsistence farmers' incomes on a sustainable basis to meet the long term goal of poverty alleviation.
- Work with the Sakala communities only commenced in 2013. However, these communities have demonstrated a powerful willingness to engage with ZRDF and are expecting this ZRDF support to continue for at least a further three years.
- On the other hand, the CRDP communities are further along the path to be sustainable with reducing ZRDF support.
- ZRDF has identified and jointly visited with BZT a number of even more isolated but proximate communities and are proposing that interventions on the current model are commenced in four of these new communities.
- A key new focus will be the provision of a training facility, based near Masansa, to raise the ambition and skills of subsistence farmers (growing less than 5 hectares) to that of emerging farmers, who typically farm larger (5 to 25 hectares) areas of land thus achieving higher crop outputs and revenue.
- Another new focus will be on raising educational standards. Everyone is aware that improved physical facilities are a necessary but not sufficient step for the long term raising of educational achievement. ZRDF wishes to work with the local Government Education Office to improve the selection of headmasters and teachers and, once in post, their continuing training. Some of the existing heads are responding positively to this proposal and are keen to learn from each other.
- To achieve a more diverse funding base the ZRDF management will receive training in identifying new sources of financial support and in negotiating and managing contracts with donors.

BZT has now commenced work to expand on these broad themes and will be able to present, by mid 2016, a more detailed plan with outputs and outcomes and required funding to potential 2017/19 donors.

## APPENDIX 1

### ANALYSIS OF ZRDF 2015 EXPENDITURE

Kwacha '000

#### CRDP

|                             |            |     |
|-----------------------------|------------|-----|
| Agriculture                 | 71         |     |
| SILC                        | 20         |     |
| HIV and AIDS                | 113        |     |
| Institutional strengthening | 7          |     |
| Bursaries                   | 51         |     |
| School capital expenditure  | <u>215</u> |     |
|                             |            | 477 |

#### SAKALA

|                              |            |     |
|------------------------------|------------|-----|
| Agriculture                  | 226        |     |
| SILC                         | 7          |     |
| HIV and AIDS                 | 74         |     |
| Institutional strengthening  | 15         |     |
| School capital expenditure   | <u>594</u> |     |
|                              |            | 916 |
| <b>Educational materials</b> |            | 59  |

**KALWA exit** 77

#### MASANSA COSTS

|                    |           |     |
|--------------------|-----------|-----|
| Staff costs        | 451       |     |
| Staff training     | 85        |     |
| Transport          | 101       |     |
| Office costs       | 94        |     |
| Other (e.g. audit) | <u>89</u> |     |
|                    |           | 820 |

**New Vehicle** 260

**TOTAL** Kwacha 2,609,000 = £237,000



## APPENDIX 2

### Case study of impact of the Soya Beans initiative

Geofry Kapupa  
from Misakalala

• On the benefits of Soya said that he personally mixes the Soya plant for animal feeds. As a result his animals look as healthy as those of commercial farmers and he is now able to demand a better price for his animals too.

Derrick  
Chisenga, from  
Misakalala

• With the highest yield in 2013 of 35 bags, he earned 5000 kwacha as net profit and has a disposable income of 800 kwacha monthly. He kept aside 2x50 kg bags of Soya for the next planting season, he has also bought his own fertilizer and agricultural inputs and will not require any support from ZRDF. He was able to plaster his house, buy a television, he bought his own goats, he opened up a bar in which he has broken even seeing returns of 340 kwacha monthly, and now also loans money to other members of the community at an interest rate for example 50 kwacha was repaid to him for 70 kwacha. One notable impact for him is that for 3 years prior to ZRDF interventions in Misakalala he experienced hunger as serious as having to borrow money in order to eat.

Patricia, from  
CRDP

• Said the following about the benefits of the Soya Nutritional support, "As you look at me now you can behold a human because prior to this I was a skeleton, thin bare even our children now look healthy." In the women's groups they have creatively produced Soya food alternatives like sausages, soya chunks, soya milk and soya scones e.t.c.