

“We pray for the day there will be a riot”

A partnership model for Inclusive Business: The case of Luangeni

International Master in Sustainable Development
and Corporate Responsibility

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STUDENTS

Fabio de Almeida Pinto
Javier Solano Palacios
Lauren Gail Musiello
Natalia Díaz Zamora

TUTOR: Leda Stott



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When we decided to go to Escuela de Organización Industrial (EOI) for our International Master in Sustainable Development and Corporate Responsibility, we wanted to change the world. It was here that we were equipped with the knowledge and tools to make a sustainable impact, we are grateful for the opportunity to learn. We are thankful for have found each other, we come from different countries but we are united, we share similar ideas and beliefs about the inequalities in the world and what is right and what is wrong; we are grateful to have finally made it through this masters program and we have each other to thank for that.

We are most thankful to our parents, each one of us was pushed and encouraged to learn. Our parents believed that with education we would have the skills to care for one self.

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To mighty box, “put it in a box,” has helped us structure and guide our work.

LIST OF ACRONYMS

Acronym	Name
AIDS	Acquired immunodeficiency syndrome
ASIP	Agricultural Sector Investment Program
BoP	Bottom of the Pyramid
BPD	Building Partnerships for Development
BSAC	British South African Company
CEO	Chief Executive Officer
CMC	Chipata Municipal Council
COLECAP	Committee for Liason between Europe, Africa, the Caribbean and the Pacific
CORDAID`	Catholic Organization for Family Support
CSR	Corporate Social responsibility
EOI	Escuela de Organización Industrial
FAO	Food Agricultural Organizations
FEC	Full Economic Citizenship
FNDP	Fifth National Development Plan
GAP	Good Agricultural Practices
GDP	Gross Domestic Product
HDI	Human Development Index
HIPC	Highly Indebted Poor Countries
IADB	Inter American Development Bank
IBLF	International Businesses Leaders' Forum
IFC	International Finance Corporation
IMF	International Monetary Found
IMSD	International Masters in Sustainable Development
INBIO	Instituto Nacional de Biodiversidad
JSE	Johannesburg
LCPP	Luangeni Community Partnership Project

LWD	Lutheran World Federation
MACO	Ministry of Agriculture and Cooperatives
MAFF	Ministry of Agriculture Food and Fisheries
MDGs	Millennium Development Goals
MMD	Movement for Multiparty Democracy
NGO	Non-Government Organization
OECD	Organization for Economic Cooperation and Development
PAM	Program Against Malnutrition
PF	Partnership Forum
SAP	Structural Adjustment Program
SD	Sustainable Development
UN	United Nations
UNDIP	United National Interdependence Party's
UNDP	United Nations Development Program
USD	United States Dollar
VSC	Village Service Center
WB	World Bank
WBCD	World Business Council for Sustainable Development
WSSD	World Summit on Sustainable Development
ZAMSEED	The Zambia Seed Company
ZPA	Zambia Privatization Agency

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CHAPTER 1: INTRODUCTION

The LCPP (Luangeni Community Partnership Project) began in Chipata Province in Zambia, 2001 as a response to the concerns of local farmers to the entry of the South African supermarket chain Shoprite in their area. Led by the Partnership Forum, a cross-sector body led by a group of academics and business leaders, the project sought to address community concerns about the impact of Shoprite's presence on their livelihoods by bringing together key stakeholders, including NGOs, government and businesses, to capacitate the Luangeni Community in order to procure high quality and safe produce for Shoprite. The Partnership was credited with the achievement of positive economic and social results. It received international acclaim and plans were made to replicate it in other parts of Zambia where Shoprite was based.

1.1 The Focus of our Research

Collaborative supply chains relationships and linkages that combine supermarket success with the support of local farmers may offer an important model for sustainable development. 70 per cent of the world's population live in rural areas and depend on agriculture for their livelihoods. Traditionally, most farmers living in developing countries operate on a small-scale excluded from global markets. Since the early 1990s there has been a supermarket revolution. Large retail supermarkets are leaving the comfort zone of upper and middle class niches and expanding into new frontiers in developing countries. The rise of supermarkets in developing countries has been seen as both a threat and an opportunity for small-scale farmers. The challenges relate to assumptions that there is a higher cost and increased risk with purchasing from fragmented local suppliers.

Small-scale farmers are disadvantaged by lack of technology and technical skills are presumed to be less reliable to deliver quality and consistency on time. The ability of small-scale farmers to infiltrate the big retailers seems arduous. With small and inconsistent production volumes, weak capacity to negotiate and understanding of business relations, limited capacity in technology, finance and access to information are noted barriers of small-scale farmers. There is great importance to market differentiation and cost management for any successful business model. The opportunity to include small shareholder farmers from the perspective of the supermarket is that a diversified supply base reduces risk. Furthermore, sourcing locally cuts down on transportation cost and can be more cost effective. The supply chain and its strength and durability are crucial for a competitive advantage. Considering adjustments to the value chain come with a cost and an increased risk yet can be proven to be economically beneficial.

This report uses a case study of the Luangeni Community Partnership in Zambia to assess how far a collaborative model for linking small-scale farmers into supermarket business supply chains can promote sustainable development (combining economic, social and environmental returns). In order to answer this question the following objectives were identified:

The research questions:

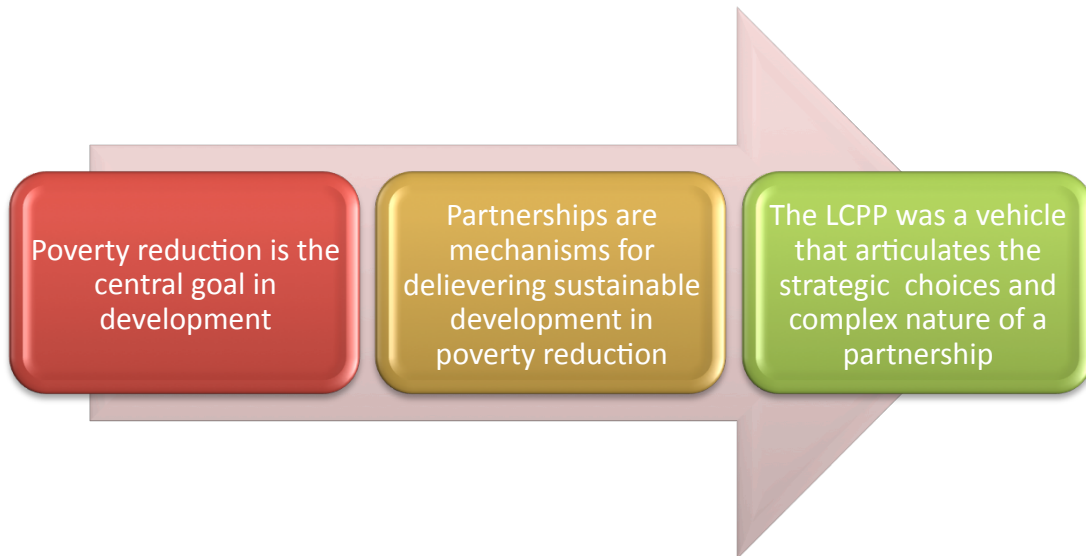
1. What were the short, medium and long-term impacts of the Partnership's activities?
2. What were the strengths and weaknesses of the model?
3. Could/should the model be improved for replication and scaling-up? If so, how?
4. If not, what might have worked better?

A key qualitative research method, the case study, has been used to explore and investigate the partnership phenomenon. The case study enables a longitudinal examination that allows us to explore emerging trends from which we can draw multi-dimensional conclusions and recommendations (Yin, 1984: 23). Through a detailed contextual analysis of the Luangeni Community, and the application of a range of tools that support further enquiry into partnerships, we explore the rationale for the Partnership; the emerging relationships that were formulated; and the results of these connections for the stakeholders involved, as well as their wider impact and lessons.

1.2 The Rationale for Research

The research team’s rationale for embarking on the case study investigation of the Luangeni Community Partnership was driven by the team’s interest in how a rural community could be included in a big retail supermarket chain and thus assists poverty reduction. Our logic was as follows:

Figure 1-0-1: The Rationale for the research



1.2.1 The urgency of sustainable development

It is no secret that we are consuming at a rate that far exceeds the earth's resource base. In the next century we will see drastic changes in social, economic and environmental arenas. Society has existed in a dichotomy between developed and developing countries. We must diminish the great divide that is polarizing and paralyzing our world.

The pressing challenges of energy, clean water and food supplies will affect everyone; with the bottom two-thirds of the pyramid (those living on less than two USD a day) carrying the majority of the burden. Past economic models cannot be sustained.

“According to Einstein, problems cannot be solved at the same level of thinking that lead to their creation. If so, problems arising from "old" economic thinking cannot be solved using "old" economic thinking. A "new" economics of sustainability cannot be derived from the economics of the "old" belief system that is at the root of most sustainability issues. It must build from the ground up, starting with a new belief system.” (Ikerd, 1997)

To address the current challenges of today, urgent solutions are required. New mechanisms such as partnerships and collaboration across different sectors of society need to be firmly established to help mitigate current and future problems. Special attention must be given to those at the bottom of the pyramid and assist in their emergence from crippling circumstances through collaboration. The different approaches of various sectors can complement each other in a synergistic manner that innovates for development. The



eradication of poverty can only happen with collective action from all sectors of society such as governments, businesses, NGOs and other influential parties. “Our task to help them onto the ladder of development, at least to gain a foothold on the bottom rung, from which they can then proceed to climb on their own.” (Sachs, 2002: 2)

1.2.2 Poverty Reduction in Africa as a priority

Africa is a focal point for development as it accounts for the bulk of the world’s extreme poverty. You have heard the laundry list of statistics: 239 million people go hungry every day, a third of all childhood deaths are hunger related, more than 2,500 children die each day, 22.9 million people are living with HIV in the region - around two thirds of the global total - each statistic is more upsetting than the next. *The Non Nonsense guide to International Development* states “that development had failed the disadvantaged people was now increasingly obvious. In Africa, especially, an abyss was being created by the destruction of traditional economic systems and the failure to substitute viable alternatives.” (Black, 2003: 26). Zambia is one of the poorest countries in Africa and one in which interesting development partnerships have arisen as a response mechanism.

In the Poverty Reduction Strategy paper for Zambia (2007:46), agriculture was identified to have the greatest potential to move Zambia out of its poverty stricken regime. Did the LCPP implement formalized change for the promotion of agriculture?

1.2.3 The importance of agricultural development

According to Rein et al (2005:65) “Increasing agricultural productivity to feed rapidly growing populations and to support agri-based manufacturing and exports, without destroying the natural environment, is one of the greatest tasks in Africa today.” Africa is heavily dependent upon agriculture but the resources allocated to it do not match its importance for poverty and hunger eradication. Moreover, because the sector relies on rain fed irrigation systems, “Climate change could halve non-irrigated farm yields in many African countries by 2020.” (WBCSD, 2001: 6). World Bank Chief Economist Nicholas Stern stated the following “Development and climate change are the central problems of the 21st century. If the world fails on either, it will fail on both.” (Stern, 2006). Without careful attention to agriculture Africa will continually face famine, malnutrition and depend upon food importation and aid (supra).

1.2.4 The role of new business models

In order to address and alleviate poverty the private sector must be part of new solutions. Businesses provide the expertise and knowledge base that can innovate and create new paradigms for economic growth. Both businesses and the poor can benefit from the collaboration of different sectors. Business models can be developed or adapted for supply chains that allow participation from the disadvantaged farmers/producers and traders. Businesses can develop new products and services that are needed by society in order to build their capacity. The four billion people in the world that are the bottom of the pyramid, together they spend five trillion USD (measured in terms of local purchasing power) a year (Gradl & Knobloch, 2009:4). Inclusive business can create tangible commercial returns coupled with development impact that has the opportunity to evolve, grow and expand into new markets.

Inclusive business can only be successfully implemented if there is a collaborative effort that involves a matrix of communication along the supply chain rather than a

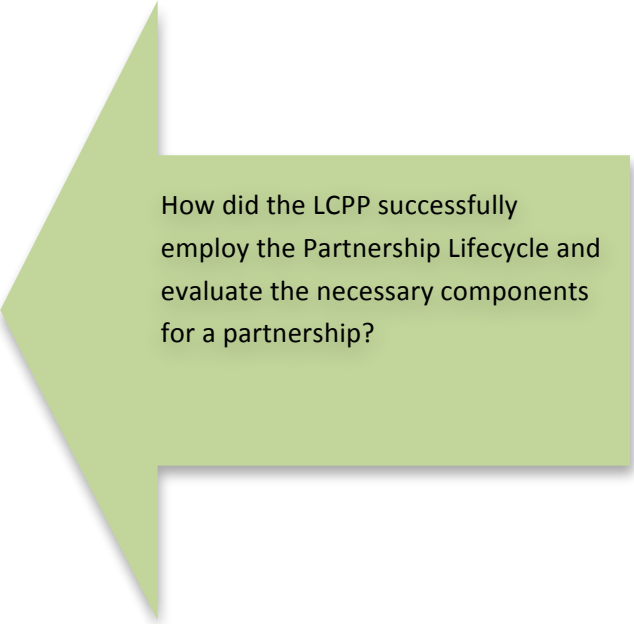
top-down approach. The collaborative action then needs to be scaled up, sped up and constantly innovated.

Inclusive Business has the potential to bring added value to their companies and those living in poverty; this concept can best be put into practice through partnerships. How has Shoprite added value and contributed to empowering the destitute Luangeni Farming Community?

1.2.5 Exploration of the partnership model

Leda Stott is a leading expert on the context, formulation and implementation of partnerships, and has written extensively on the topic. Leda accurately defines partnerships as a mechanism for addressing pressing economic, environmental and social challenges through the collaboration of international agencies, businesses and public and civil society organizations. (Stott, 2007:1).

Partnerships and the idea of working together are at the core of inclusive business. Inclusive business tangibly expands the opportunities of the poor and creates a business model that engages all actors along the agri-supply chain, essentially creating a partnership. When the various actors along the supply chain



How did the LCPP successfully employ the Partnership Lifecycle and evaluate the necessary components for a partnership?

come together and successfully engage, new models can be institutionalized and create a solid foundation for development. (Rein et al, 2005)

Stott asserts that although partnerships have high risks and costs, if successfully put into action, they can create benefits among all participating agencies. However, as she states in her paper, *Partnership Case Studies in Context* (2006), greater research is needed into how partnerships work and what their challenges are and how they should be addressed.

1.3 The Research Focus: The Luangeni Partnership

The Luangeni Community Partnership in Zambia is fairly well known as the pilot project was presented at the World Summit on Sustainable Development (WSSD) in 2002. The project exemplifies what an International Masters in Sustainable Development and Corporate Responsibility is all about by giving our team the chance to pull from all aspects of our education and deliver conclusions. Although research has been difficult due to limited resources and inaccessible information, we have had the unique opportunity to access original documents, as well as key primary sources.

Developing country agricultural markets are undergoing uneven modernization. In this new globalized world, businesses are adapting their core business models to enhance development impact. We examine Shoprite because it is one of the first supermarkets to leave the traditional high to middle class market and expand into Africa. We further look to Shoprite due to the partnerships that grew out of its establishment in Zambia. Big retailers such as Shoprite are on the frontier to integrating inclusivity into their business model. Like most businesses, Shoprite needs to be convinced by profitable returns; however, the irony is that the growth of their enterprise relies upon applying creative business solutions.

Through our research we seek to address both the challenges and opportunities that exist for the various actors along the agribusiness supply chain, in order to include the Bottom of the Pyramid (BoP) market into business.

1.4 Outline of the Research

The research is divided into six chapters:

1.4.1 Chapter 2

The methods section is a vital aspect of our report as it provides the information by which the validity of our study can be judged. The methodology section addresses the formula and dimensions that were used in order to achieve our objectives. The steps for completing the case study method, including posing research questions, how data is collected, analyzed and interpreted will be outlined in Chapter Two. Stake (1994), building upon Yin's work (1994) emphasizes the importance of the philosophical underpinnings of a case method. Our interest in development and past leanings has driven us to investigate the Luangeni Partnership as a complex functioning unit, and illuminate it from different angles. This report aims to withhold personal biases and present information with honesty and integrity.

1.4.2 Chapter 3

The thematic review section elicits information from various reports, journals, books and other relevant literature in order to facilitate a foundation of understanding. Hart defines a literature review as an objective, thorough summary and critical analysis of the relevant available research and non-research literature on the topic being studied.

(Cronin, Ryan, Coughlan, 2008:1) The goal is to give the reader a broad base of understanding to development and its relationship to agriculture, rural development, Africa and its context on sustainable models for inclusive supply chains.



1.4.3 Chapter 4

This chapter seeks to provide the reader with a detailed description of the Luangeni Partnership, utilizing many descriptive functions (e.g. case records, evaluations, research reports and interviews). The investigation of the case will then be analyzed and underpinned Chapter Three's thematic review in order to develop a broader and deeper understanding of the case for Chapter Five.

The partnership began in 2000 between the farming communities, Shoprite, NGOs and Zambia's government who sought to broker a mutually beneficial relationship. Following the pilot project phase the Luangeni Partnership was then reframed to focus on capacity building. This chapter will give the reader a detailed description of the Luangeni Partnership and the sub units that composed it.

1.4.4 Chapter 5

This chapter will seek to unpack the Luangeni Partnership and highlight key findings. Most researchers examine relationship value at a single point on time. The researchers will explore the different stages of the partnership and the relative

importance of the dimensions of the partnership over time. The criteria for a successful partnership will be compared to the reality of the Luangeni Community Partnership. Incentives will be assessed and the correlation between incentives and engagement explored. The Partnership will also be analyzed in terms of its sustainable development impact and the key drivers within a partnership.

1.4.5 Chapter 6

In Chapter Six the report concludes with key highlights of the report. Weak business models based on times past are not sustainable. New models are emerging to answer the problems of today. Partnerships offer an avenue for development through collective action, however if a partnership is to be utilized it is essential to weight and evaluate the incentives which will directly reflect the engagement and success of the partnership. If the private sector is involved in the partnership then it must be at the core of the business model. Inclusive business models may offer a more institutionalized avenue for development impact.

CHAPTER 2: RESEARCH METHODOLOGY

The purpose of Chapter Two is to explain the methodology that underpins our research. We will introduce the theme and the motivation that led us to investigate the Luangeni Partnership. The researchers' intent was to give the reader details as to how they explored the case study and validate our procedure in which our investigation unfolded.

2.1 The research team

This Project was lead by a group of four students of the International Master in Sustainable Development and Corporate Responsibility in the Escuela de Organización Industrial (EOI), Madrid, Spain, during the course period 2011-2012. The students came from different backgrounds and nationalities, giving the report a unique international collaboration and perspective. The team was as follows:

Name: Natalia Díaz Zamora

Nationality: Costa Rica Background: Public Relations Degree specializing in Marketing Communication, Universidad Latina de Costa Rica. Professional Experience: Worked at National Biodiversity Institute and managed the communication of a sustainable development project financed by the Spanish Agency for International Development Cooperation (AECID).

Name: Lauren Musiello

Nationality: United States Background: Liberal Arts Degree, College of the Holy Cross (Worcester, Massachusetts) double majoring in Fine Arts and Psychology. Professional Experience: After graduating, worked in a variety of corporate firms before becoming the office manager/ paralegal at a local law firm. She then moved to

Spain to become an English teacher until starting her Masters.

Name: Fabio de Almeida Pinto

Nationality: Brazil Background: Business Administration Degree, University of São Paulo. Professional Experience: Worked for PepsiCo, SR Rating, Brenco and Camargo Corrêa. Experience in working with civil construction and ethanol production along all stages of the value chain, the financial sector and sustainability reporting.

Name: Javier Solano Palacios

Nationality: Costa Rica Background: Industrial Engineering Degree, Universidad Latina de Costa Rica.

Professional Experience: Worked at El Patio Green Center as an administrative assistant, and was involved in training at Pipasa in poultry farming.

2.2 The Case Study Approach was chosen

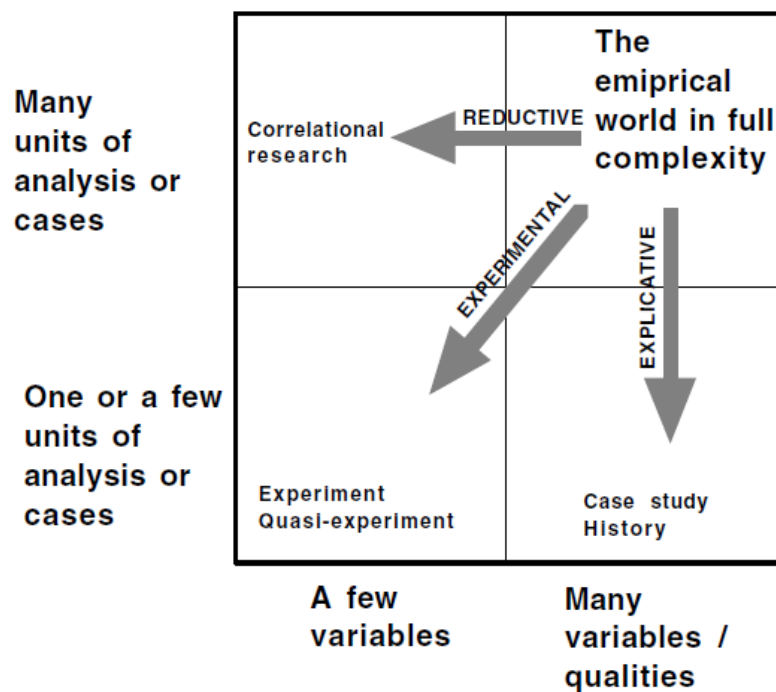
The method section below presents our research approach by which the study's validity is to be judged. The approach of the investigation is a case study specifically Luangeni Partnership. According to Yin's definition the case study is an empirical inquiry which:

- Investigates a contemporary phenomenon within its real-life context
- Sets the boundaries between phenomenon and context, which are not clearly evident
- Clarifies conceptions through the use of multiple sources

The researchers consider this case study to be the best way of providing insight into the case of the Luangeni Partnership, describing and drawing conclusions on a true account of the events. Our report facilitates our analysis through the investigation of

different types of data (both qualitative and quantitative). The figure below shows the various strategies utilized to focus our empirical research with regards to the unit of partnership and the subunits affected by a number of variables. The case will articulate on this particular event in time and will incorporate elements of social, economic and technical information to aid in our exploration of the Luangeni Partnership. (Yin, 1994: 80)

Figure 2-1: Strategies for Empirical Research



Source: Johansson, R., 2003 "Case Study Methodology" A keynote speech at the *International Conference: Methodologies in Housing Research*. Royal Institute of Technology in cooperation with the International Association of People-Environment Studies, Stockholm pg.4)

The case study research allows for the exploration and the understanding of complex issues such as: development, partnerships, and inclusive business both in practice and in theory. The thematic review of Chapter Three pulls from multiple perspectives and various bodies of literature in order to give the reader a broad understanding of

central themes: sustainable development, inclusive business and the need for collaboration and agriculture and its importance in rural development and the impact on gender equality, health access and education in relation to the Luangeni Community Partnership.

The researchers intend to provide both an overview as well as in depth details of the case to offer valuable insight into the functioning of partnership and the empowerment of rural agriculture development through inclusive business.

2.3 The advantages and disadvantages of our approach

Using a case study as a research methodology has both its advantages and disadvantages. According to (Flyvbjerg, 2004: 420-434), LCPP the case study is critiqued for five "misunderstandings", the case study presents context independence in which one cannot generalize on a basis of an individual case. It does not allow for testing and theory building. However, the researchers would contest to such assertions. The group believes that the case study exemplifies rural development. The researchers are aware of personal biases and have worked not to make broad conclusions but broad observations as to the workings of a partnership.

Table 2-1: Advantages and Disadvantages of using Case Study Methodology

	PROS	CONS
CASE STUDY	-Best way to illustrate the context, process, and outcomes of the events occurred to outsiders	Subjectivity: researchers bias could lead the investigation with a skewed direction, aligned with the researchers views on inclusive business and partnerships
	- Allows drawing conclusions from different sources of information both quantitative and qualitative.	-Lacks scientific validity
	- Qualitative research provides in depth information and details at the case studied	-Difficulty to draw broad generalizations applicable to society at large due to unique dynamics encompassed in Luangeni Partnership
	-Provides a good mean to determine the effects on the Luangeni Partnership society at a micro level	
	-The LCPP reflects a representative sample of rural poverty and its dependence on agriculture.	

2.4 Key elements and approaches

There are three different modes of reasoning that have driven the nature of the study.

2.4.1 Case study types

There are three types of case studies:

- Intrinsic: a particular example is explained in depth to gain a better understanding
- Instrumental: a specific case is examined to provide information or insight on issues or refinement of theory.
- Collective: a number of cases are studied jointly in order to inquire into the population phenomena, or general condition. (Stake, 1994: 237)

The purpose of this case study is primarily intrinsic and instrumental due to the team's interests in inclusive business models and topics pertaining to partnerships and

sustainable development. Additionally, it offers useful tools for the future establishment of partnerships and inclusive business model.

2.4.2 Case study reasoning

There are three different modes of reasoning while developing a case study that would be driven by the nature of the study:

Table 2-2: Types of Case Study Reasoning

Type of Reasoning	Description
Deductive	Validates a theory from a hypothesis and facts
Inductive	Conceptualizes a theory going from facts in case study
Abductive	Naturalistic: ability to act based on the conception of a case (from a series of cases to a case)
	Synthesizing: reconstruction of a case from facts and a theory

Source: Johansson, R., 2003 “Case Study Methodology” A key note speech at the *International Conference: Methodologies in Housing Research.*, Royal Institute of Technology in cooperation with the International Association of People–Environment Studies, Stockholm pg.10

This investigation's process of reasoning most closely aligns with inductive reasoning, as the team seeks to conceptualize sustainable development theory, from the facts of the case and information analyzed. Furthermore, the report also shows traits of abductive reasoning in as much as it synthesizes and reconstructs the case.

2.4.3 Case Study research strategy

There are three main types of strategies in case study research:

- Exploratory: conducts research for a problem that has not been clearly defined.
- Descriptive: attempts to obtain information on the particular features of an issue.
- Explanatory: intends analyze or explain why or how something happens or happened.

Our case study research adopted an exploratory model with a special focus on discovery and understanding of information regarding the Luangeni Partnership. We made a particular effort not to over-generalize and make unfair assumptions that unjustly lump the Luangeni Partnership and other similar studies together. The team has intended to gather the necessary information to describe and understand the Luangeni Partnership, including a detailed account of the context, activities, participants and process (Schell, 1992:5).

Figure 2-2: Nature of the Research



2.4.4 Design of the Case Study

The case study design delineates the units of analysis under which the investigation is taking place:

Figure 2-3: Types of Case Study Design

	Single case designs	Multiple case designs
Holistic (Single unit of analysis)	Type 1	Type 3
Embedded (multiple units of analysis)	Type 2	Type 4

Source: Schell, C., 1992 *“The Value of the Case Study as a Research Strategy”* Manchester Business School pg.7)

- **Single Case Design:** The team focused specifically on the Luangeni Partnership

and how it evolved (the main unit of analysis being the partnership). This type of design is appropriate since it intends to serve as a revelatory case with the assumption that problems discovered might be common in other cases as well.

- **Embedded Design:** The Luangeni Partnership is the main unit of analysis. This main unit, the case is comprised of individual sub units, the partners. (Shoprite, Zamseed, The Luangeni Community, Government Departments, NGOs, and Donor Agencies.) In which they are all compromised by various variables.

Additionally, it is designed to be flexible because the researchers could not predict the destination but only speculate on possible routes to answer research questions. The case study was intended to provide an overall perspective of the Luangeni Partnership. We took into account settings, inter-dependencies, complexities, idiosyncrasies, and different contexts in order for it to facilitate a concrete understanding of the partnership and its components.

2.5 The Research Data

There are six sources of evidence for data collection in the case study protocol: documentation, archival records, interviews, direct observation, participant observation, and physical artifacts (Yin, 1994: 80). The research used documentation of the project and interviews with key players.

Table 2-3: Sources, Types, and Utility of Data Researched for the Luangeni Partnership

Data Source	Data Type		Utility of Data
Primary Sources:	Luangeni: information from Partnership reports, proposals, evaluations to donors, meeting summaries, photographs, work plan, list of people consulted, financial report, evaluators list of persons interviewed, researchers (Leda Stott) notes from visit.		-Describe the events, process, and results of the Luangeni Partnership and Project.
Interviews	Semi-structured	Interviews with initiator (Broker) of the Partnership Martin Kalungu-Banda.	-Information provided by key players describes and reflect on the Luangeni Partnership in their own words. Their perspective gives an understanding of problems and issues related to the partnership as well as gives us access first hand research
	Email Interview	Interview with via email with technical researcher and partner kind Dr. Yambayamba	
Secondary sources	Articles, Books, Editorials, Journals, Magazine Publications, Multi-volume works, Policy Reviews, Websites.		Provides a Thematic Platform for a contextual understanding of the Luangeni Partnership.
Statistical	General Statistics and Data Bases in regards to Africa, Agriculture and Rural Development		Provide hard facts that quantify negative trends in basic social indicators in Zambia.

Source: Adapted from: Yin, Robert K., 1984 “Case Study Research: Design and Methods” Sage Publications, Newbury

2.6 Validity of Data

The researchers acknowledge the strength and weaknesses of the data being presented and not to make assumptions with regard to data gaps. It is important to have a critical eye when evaluating various authors as they may hold personal biases. The assertiveness of the conclusions is directly linked to the quality of the information gathered, as well as researcher ability to reconstruct the reality of the case. Researchers have been cautious of the data and its limitations have sought to not make broad claim, the Luangeni case is fragile and has been treated as such.

Table 2-4: Validation of Evidence Sources (Strengths and Weaknesses)

Source of Evidence	Strengths	Weaknesses
Documentation	Stable - repeated review Unobtrusive - exist prior to case study Exact - names etc. Broad coverage - extended time span	Retrievable - difficult Biased selectivity Reporting bias - reflects author bias Access - may be blocked
Archival Records	Same as above Precise and quantitative	Same as above, privacy might inhibit access
Evaluations to Donor	Complete and detailed information on events and accounts of the partnership	-Can be compromised by highlighting partnerships positive results, since there is an interest to give good impression on the partnerships outcomes
Meeting Summaries	Chronological review of events, description on outcomes of meetings.	-Lack of detail -Taken from a broker's perspective.
Articles/Magazine Publications	Mainstream view on the project and its outcomes, perspectives of other development practitioners on the project	-Authors are likely to lack of valuable insights on the Language partnerships context.
General Statistics	Good source of information official figures and hard facts on Zambian context	We rely on other third parties research.
Semi structured Interviews	- Targeted - Focuses on case study topic - Insightful - Can unfold topics jet not addressed and redirect investigation.	- Interviews were conducted with actors that had personal connection and closeness to the project that might lead biases in responses - Responses might be influenced by what interviewer wants to hear
Email Interview	Direct questions on the researchers interests	Unable to interrupt responses and have the opportunity to redirect

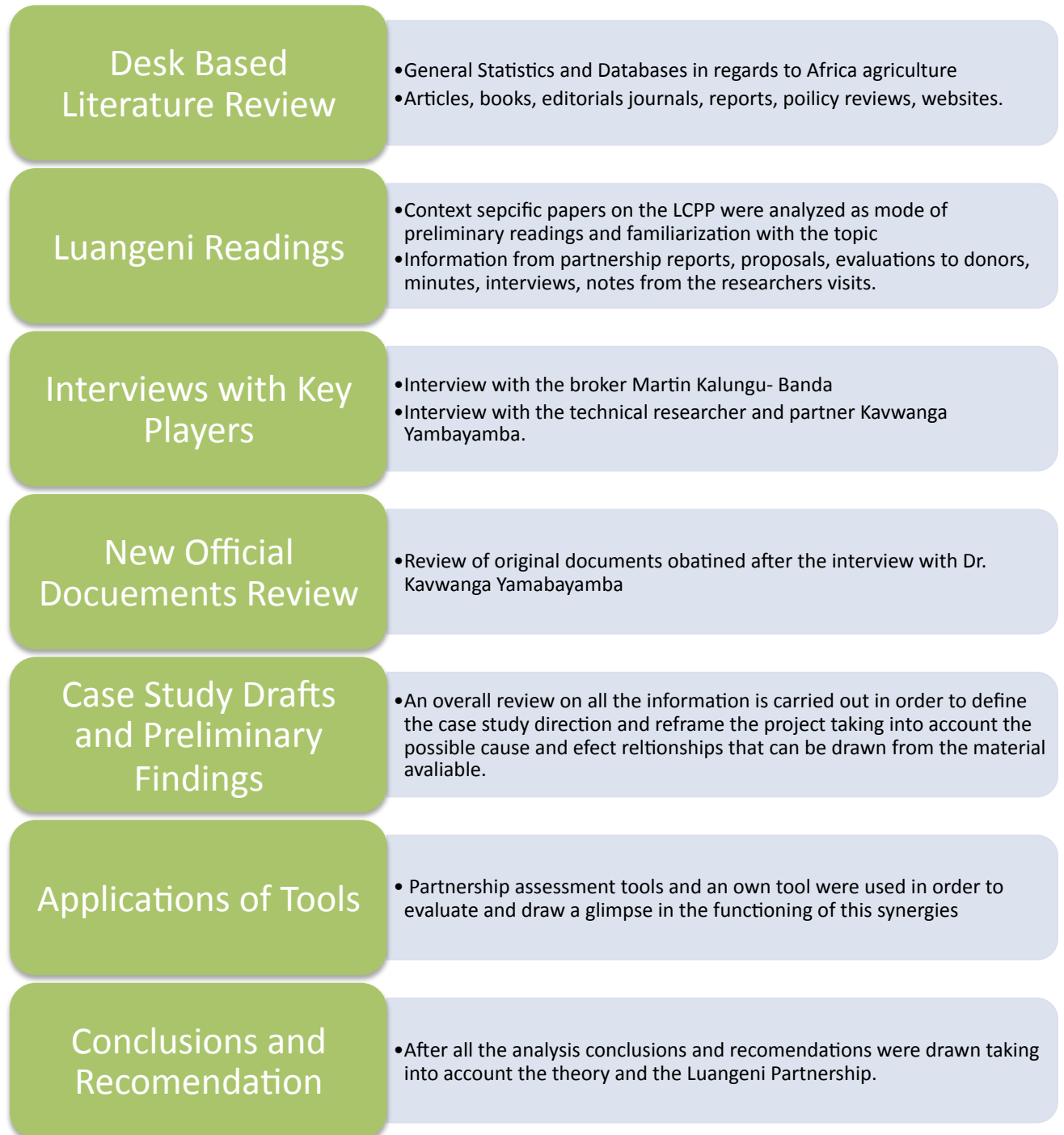
Source: Source: Adapted from Yin, Robert K., 1984 "Case Study Research: Design and Methods" Sage Publications, Newbury Park

The purpose of conducting a case study of the Luangeni Partnership was to describe its process and evaluate the effects of the Partnership as a whole and on the sub units affected by the various variables that compose the Partnership. By exploring this case study, wider comments about rural development and its relationship to agriculture can be made. Our aim was to pick apart the complex system of partnership and identify the partners and their roles and function within the partnership system. We have relied on creating data triangulation, pulling from a variety of sources in order to increase the validity of our study. Building upon the theoretical proposition of Chapter Three (theory

triangulation), and the explanation and development of the case description in Chapter Four (methodological triangulation), Chapter Five seeks to address the cause and effect patterns within the Luangeni Partnership (Investigator Triangulation). The benefits to this approach are that it allows for a rich understanding of a partnership and reveals unique findings, challenges and integrated theories to provide a clearer understanding of the use of partnership as a development mechanism (Thurmond, 2001: 254).

2.7 The data gathering process

Figure 2-4: Data Gathering Process



2.8 Code of Ethics for the Research

“We pray for the day there will be a riot” A Partnership Model for Inclusive Business: Luangeni Partnership is a project developed by the students of the International Masters in Sustainable Development and Corporate Responsibility at EOI. The students will work cooperatively and collaboratively in the design, implementation, analysis, interpretation, conclusion, reporting and publication of the experiences of the project. Each student provides ideas and resources that come from the experience, knowledge and capability of all its members. Together, through consultation collaboration and mutual respect they significantly strengthen the project and its outcomes. All students of the project share an understanding that case study based research is a compelling tool for learning about the community and development of Zambia.

Obligations of the researchers

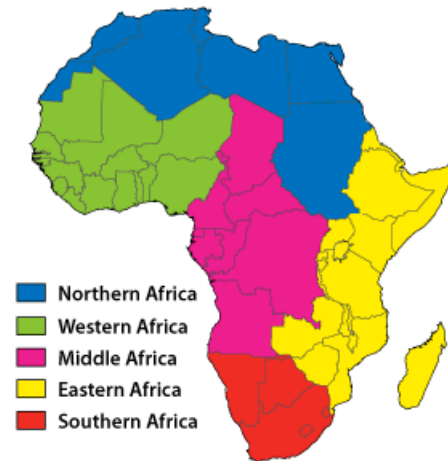
- To report honestly and fairly.
- To ensure the design, implementation, analysis, interpretation, reporting, publication and distribution of the research are relevant and in agreement with the standards of competent research.
- To undertake research that will contribute something of value to the partnership in which the research is being conducted.
- To help to address any issues raised as a result of research.
- To promote academic diffusion of knowledge through written publications and oral presentations. This includes the documentation of the undertaking of the project and of the results.
- To be guardians of the data until the end of the project and to return that data to the owners at the end of the project.
- To treat each interviewee with the utmost respect and honor their responses.

CHAPTER 3: THEMATIC REVIEW

The thematic review section intends to familiarize and demonstrate to the reader the ongoing dialogue, perspectives and past and present data in order underpin the researcher’s analysis of the Luangeni Partnership. The researchers will pull from both secondary and tertiary sources in order to give a comprehensive understanding of: Africa and its context; agriculture; rural development; and the relationship between inclusive business and partnerships for poverty eradication.

From this chapter the reader will be able to understand the importance of agriculture and the role it plays in the livelihoods of Africans. In order to make generalizations about Africa, poverty differentiations and deviations among countries and regions will be highlighted. However, it should also be acknowledged that Africa as a whole has the world’s highest rates of poverty, paradoxically coupled with vast quantities of natural resources and great potential for achieving sustainable development. Partnerships and inclusive business are key vehicles for achieving a sustainable development.

Figure 3-1: Africa's Regions



Source: wikipedia.com, accessed on June 12

3.1 The African Context

Africa is the second largest and most populous continent in the world. Africa holds six per cent of the Earth’s total surface area, and has a population of 1,032,532,974 people. It is comprised of 56 countries, which are categorized, according to their geographical

region: Northern Africa, Western Africa, Central Africa, Eastern Africa and Southern Africa. (www.wikipedia.org¹).

While it is important to emphasize that Africa is not a country but a continent composed of diverse countries with different circumstances, it is also true that poverty in Africa is widespread and is most prevalent in rural areas. Rural poverty and its relationship to agriculture are linked to the lack of basic needs amongst people living in rural areas. Subsistence farming is the main way to feed oneself and provide income, however, the access to land, water and other inputs, impacted by the current environmental and climatic conditions, has led to low and variable agricultural outputs. This directly diminishes food security and the wages of poor farmers (illustrated in appendix 1)

3.2 Sustainable Development

The idea of “development” has evolved considerably since 1945, when it was to modernize developing countries through the assistance of the industrialized countries Black (2003: 10). Originally, development was a concept for “backward,” countries to “catch up,” and become industrialized (ibid) but, following the emergence of human development and the inclusion of concerns about the environment, attention is now focused on sustainable development.

Sustainable development has been defined in many ways. The definition most commonly used was stated in the Brundtland Commission Report, (Brundtland Commission, 1987) as: “...development which meets the needs of the present without compromising the ability of future generations to meet their own needs.” This concept includes four objectives:

- 1.) Social progress that recognizes the needs of everyone
- 2.) Effective protection of the environment
- 3.) Prudent use of natural resources
- 4.) Economic and employment growth. (Dimpleby, 2001:29)

¹ <http://en.wikipedia.org/wiki/Africa> accessed on June 12.

In recent decades the emerging concept of new sustainable development and the tactics needed for implementation of agricultural policy has changed. Today poverty reduction is guiding international policy and the Millennium Development Goals provide the main international program for addressing challenges.

3.3 Africa and the Millennium Development Goals (MDGs)

The United Nations and its 192 member-states created the eight Millennium Development Goals as objectives for social development to be reached by 2015. The

Figure 3-2: Millennium Development Goals



primary and first goal is to eradicate extreme poverty and hunger in an ultimate effort to “achieve full and productive employment and decent work for all, including women and young people” (The Millennium Development Goals Report, 2011: 5). As we are three years shy of the target, it is explicitly clear we will not reach the set objectives. Currently, the Sub-Saharan region has 51 per cent of its population living on less

Source: Millennium Development Goals Report 2011

than \$1.25(USD) a day. Between 1990 and 2005, this percentage declined slightly from 58 per cent to 51 per cent. There have been some minor successes in achieving this goal as demonstrated by the fact that the poverty rate that fell from 46 per cent to 27 per cent in the Sub-Saharan region. Africa also has the best record of improvement in education,

with an 18 per cent point gain between 1999 and 2009. However, access to food, water and healthcare has and continues to perpetually keep Sub-Saharan Africa in poverty (Appendix 2).

If current trends continue, Sub-Saharan Africa will be unable to meet the hunger-reduction target by 2015. Africa shows the greatest need for development in order to reach the Millennium development goals (ibid).

3.3.1 Agriculture and Poverty Reduction

In Sub-Saharan Africa eighty nine percent of the population are agricultural based rural communities. Agriculture has been identified as the most influential sector for development. According to the International Food Policy Research Institute, agriculture and rural development must play a role in stimulating economic growth, reducing poverty, and improving food and nutrition security in Africa (Fan, M and B, 2009: 2). With the vast majority of Sub-Saharan African countries fighting for food security, improvement of agriculture will have the greatest impact. The World Bank indicates that gross domestic product (GDP) growth originating from the agriculture sector is at least twice as effective in reducing poverty as GDP growth originating outside the sector (Barrett, C, and T, 2010, ibid). Therefore, investment in agriculture is the most effective for poverty reduction as the sector already accounts for a large share of the GDP, exports earnings, and employment in most African countries (Fan,M and B, 2009: 3). Stimulating the sector will inevitably lead to an increase in GDP export earnings and employment. The following statistics illustrate the quantities data that bolsters agriculture for development (more details in Appendix 3) A ten per cent increase in crop yields leads to reduction of people living on or below the poverty line (Irez et. Al., 2001)². A one per cent increase in agriculture GDP per capita led to a 1.61 per cent gain in the per capita

² Quoted in OECD Promoting Pro-Poor Growth, 2006 p. 19

incomes of the lowest fifth of the population in 35 countries (Timmer, 1997)³. A one per cent increase in labor productivity in agriculture reduced the number of people living on less than one USD a day by between 0.6 per cent and 1.2 per cent (Thirtle et al., 2001)⁴.

In order to improve food security agriculture needs to receive the necessary inputs for increased production. Agriculture in Africa will benefit from expanding infrastructure at large this entails the improvement of access to energy and roads, specific development of irrigation systems and utilization of modern technologies will strengthen yields. The investment in education for capacity building will educate rural farmers into the various farming techniques that will assure substantial harvest rates. It is abundantly clear that improvements in agriculture will lead to the reduction of poverty. Policies and legislative bodies must create an institutionalized framework that promotes the agriculture sector.

3.4 Constraints to agricultural development

3.4.1 Government and Agricultural Spending

Agriculture and Rural Development strategies have been implemented across Africa to accelerate agricultural development. As part of the Maputo Declaration of 2003, African heads of state agreed to allocate ten percent of their national budgets to agriculture. Yet, many African governments are operating in an environment of scarce public resources, and so far only a few states have met these growth and investment targets. Furthermore, corruption is a major challenge to governance and development in Africa. It erodes the capacity of the state to deliver services efficiently, provide security and maintain peace, order and social stability. Many African countries are trapped in a cycle of corruption, poverty and underdevelopment (Assessing Progress in Africa toward the Millennium Development Goals, 2010: 29). When there is deep-seated corruption it generates poverty and cast resource-rich countries into low-income societies. In many cases, governments

³ Quoted in OECD Promoting Pro-Poor Growth, 2006 p. 19

⁴ Quoted in OECD Promoting Pro-Poor Growth, 2006 p. 19

do not have the capacity to meet the needs of the people. “Governments, assisted by donors, have been failures at this activity, and experience elsewhere suggests that the private sector can be more successful.”(Cleaver, 1993: 3). It is evidently clear that no one sector is equipped to completely resolve poverty however; agriculture does show the most potential. (More details in Appendix 4.)

3.4.2 Aid and Agriculture

President of the African Development Bank Group, Donald Kaberuka, posed the question, “If agriculture is so important in Africa, why is so little being done about it?” (www.africandevlopmentbank.org)⁵. The Sub-Saharan Africa Region has been a focal point for development. It has the highest number of donor projects (193) and largest lending commitments in the evaluation portfolio (\$11.5 billion) of any other region in the world yet, oddly enough it has one of the lowest shares of that portfolio (32 percent) dedicated to agricultural growth and productivity (Growth and Productivity in Agriculture and Agribusiness, 2011: xi) Donor aid to the agricultural sector has declined in terms of both absolute financial support as well as charitable projects. This shift of aid allotted to agriculture has taken a back seat to broad development issues such as education and health (Fan, M and B, 2009: 4).

Table 3-1: Aid for Agriculture

Donor	Aid to agriculture (global) (% of donor total)			Aid to African agriculture (US\$ million, 2001)			Aid to African agriculture (as a % of donor's total aid to Africa)		
	1981	1991	2001	1981	1991	2001	1981	1991	2001
DAC countries	11	8	5	833	1,047	557	15	12	6
Multilaterals	33	22	8	1,089	640	440	32	14	7
Donors total	18	12	6	1,921	1,687	997	22	13	6

Source: OECD CSR Database⁶

The above statement exemplifies how aid is often manipulated and skewed by donor’s

⁵ <http://www.afdb.org/en/news-and-events/article/leveraging-resources-for-agriculture-and-rural-development-in-africa-5405/> accessed on June 12

⁶ http://www.oecd.org/departement/0,3355,en_2649_33765_1_1_1_1_1,00.html, accessed on June 12

prerogatives. Aid often does not provide what people need. It works in a disengaged manner that superimposes onto the communities: this is what you need. The No-Nonsense Guide to International Development outlines the concept of the idea and poignantly states, “The reality is that, too often, the poverty of certain communities or nations is used as a pretext for promoting investments that are primarily designed to improve incomes and lifestyles for the better off.” (Black, 2003:13). Development programs with sophisticated western ideas failed to account for the general context of regions. The failure to understand the context of Tanzania, Uganda, and Zambia led to disaster. (ibid: 36)

3.4.3 Business in Agriculture

The private sector has also faced challenges for doing business in Africa that has impeded foreign investment and inhibited the promotion of domestic entrepreneurs. The World Bank tentatively establishes that “Difficult business environments, a shortage of indigenous entrepreneurs, the small size of the potential investments, lack of access to markets, and the discouraging experience of working with small-scale sponsors have constrained IFC engagement and performance in Sub-Saharan Africa,”(Growth and Productivity in Agriculture and Agribusiness, 2011: xi). Granted this statement seems to be biased due to the use of such language as “indigenous,” that would lead a reader to believe that the IFC was acting in self interest instead of in the best interest of society; a common problem in the realm of development.

3.4.4 Government and Education

Governments of Africa face macroeconomic constraints that directly hinder agricultural development. Growth has been a result of favorable external conditions. Structural reforms, as well as fiscal, monetary and exchange rate policies are still restrained by limited resources. Poverty reduction is a difficult goal to achieve through the budget process. Policy has been slowly implemented and poorly regulated. Governments

constantly faced with inadequate resources are unable to devise and institutionalize policy for lasting change. There is inadequate political participation from local communities that prevents successful, engaged policy that speaks for the public. Nations are still working to modernize infrastructure and allocate resources appropriately for development has been a proven challenge. Education and capacity-building needs to be the center of all developing nations programs so that people can acquire knowledge and strive to become productive, participating citizens. Investment in education leads to an increase in the stock of human capital and contributes directly to growth by raising labor productivity both on and off the farm, boosting wages and incomes for poverty reduction (Fan, M and B, 2009: 4) Education is at the core of all successful development agendas. Good governance in congruence with education will create an environment that enables agriculture. Increased internal bridging of social capital will facilitate a vehicle to infiltrate agri- business markets.

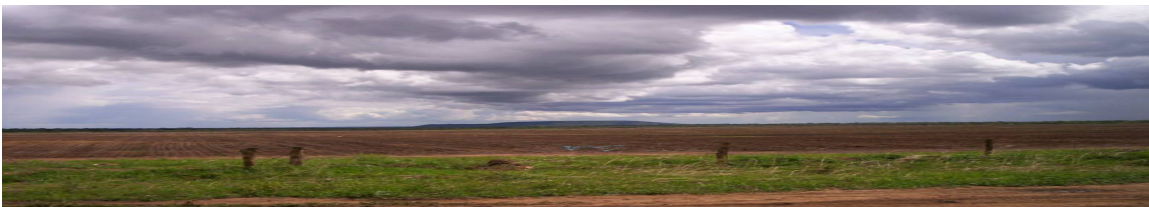
3.4.5 Meeting Standards

Meeting standards has inhibited small farmers to infiltrate big retail supermarkets supply chains. The Food and Agricultural Organization (FAO) has, along with a number of stakeholders, developed a conceptual framework for Good Agricultural Practices. The globally accept standard is known as GAP. The concept of GAP has evolved in recent years in the context of a rapidly changing and globalized food economy. The standard addresses issues of food production and security with food safety and quality as well as guidelines for sustainable practices. Broadly defined, the GAP applies to recommendations and available knowledge to addressing environmental, economic and social sustainability for on-farm production and post-production processes resulting in safe and health food and non-food agricultural products. Many farmers in both developed and developing countries already apply specific GAP related practices through sustainable agricultural methods (Hantuba, 2003:17). Standards are good for assuring health safety and security but can be hard to meet from small shareholder farmers. In

Zambia producers are changing their paradigm and have are seeking accreditation and collaboration for the promotion of agriculture. The Committee for Liaison between Europe, Africa, the Caribbean and the Pacific (COLEACP) is an initiative that was recently launched to adopt a Harmonized Framework for horticultural exporters. The export growers adhere to codes of practice that are modeled on European and international Standards (ibid: 19). Farmers are looking for ways to infiltrate the emerging big food retail markets that have been superimposed on their way of life.

3.4.6 Access to credit

A key barrier to agricultural development is access to credit. In West Africa, the access to credit for small farmers has been a big challenge. Research in Nigeria suggests that, in a marketing context, many potential borrowers will fall between two stones: too large for informal lenders and too small for the formal lenders (quoted in Porter, L, P and B, 2004: 5). Lack of banking services and credit impedes the opportunities to finance inputs. Microfinance institutions provide systems for small holders Small holders could substantially benefit from banking services. Microfinance institutions are needed for small business loans, deposit, savings, pension, and even insurance products that could secure agriculture productivity. Micro insurance is growing dimension in the financial sector, borrowers need to insure assets such as farming equipment and is possible with access to financial services. Financial services need to be adapted to the rural poor, especially those at the bottom of the pyramid.



3.4.7 Antiquated Farming Practices in the face of Climate Change

Climatic changes have degraded natural resources and put pressure on the poor for food security. Technology has not reached the ground of the developing countries. A new sector of social entrepreneurs is emerging that creates simple technology for modernizing developing countries such as the pot in pot refrigerator. However, technology needs to be researched and developed to mitigate the prevalence of pest and diseases that are crippling harvest rates. Simple farming solutions could sustainably contribute to the advancement of agriculture.

3.4.8 Agriculture and Gender Inequality

For many years, gender inequality has been a constraint in societies worldwide. In agriculture, women account for more than 50 percent of the labor force, and they are responsible for three-quarters of food production in sub-Saharan Africa, but the design of many development policies continues to assume wrongly that farmers and rural workers are men (quoted in World Bank: Gender in Agriculture, 2009) The affliction of poverty weighs mostly on the shoulders of woman, the massive gender inequality is deep rooted in culture and tradition. There are also a number of studies that highlight the importance of trading in food, particularly small-scale farmers selling within towns. Women are often key providers to the household.

“...without efforts to help them generate income, family wellbeing cannot be improved. Whether by food production, petty manufacture or trading, or by assuring them a role in decision –making, women needed to exert more control in the economic sphere for there to be social impacts – improved child health and nutrition, higher enrolment for children in school – from increased productivity” (Black, 2003:13)

Women are often the farmers however cultural tradition highly impacts their ability to infiltrate markets. (More information in appendix 5)

3.5 The rise of supermarkets

The rise of supermarkets in Africa since the mid 1990s has complicated the agriculture scenario. The increase in supermarkets has had a transformative impact on the food retail sector. The rapid rise of supermarkets as evident in Kenya and South Africa has been correlated with urbanization and the increase of the middle class. Supermarkets are expanding their markets beyond the typical top end niche of developed countries and are entering developing regions.

The rise of supermarkets in Africa in part was due to governmental policies that aimed to attract foreign investment through policy more conducive for business. Developed supermarkets demand high value products that meet high standards of quality and security. The presence of supermarkets has created a negative impact on small shareholder farmers and traditional markets. With little to no intervention from regulatory bodies to ensure fair and ethical business practices, big businesses have conducted practices with little regard to the environmental and social impact.

In the other developing regions, global multinationals have honed models of retail management and procurement that permits a level of efficiency and cost control that allows the inclusion of small shareholders farmers. The restructuring of their business models is led by policy framework. Traditional small vendors are being monopolized by big businesses ability to provide high standards and lower cost. (Weatherspoon and R, 2003: 333). There is great importance for market differentiation and cost management for any successful business model. In food retailers, market differentiation depends on high standards of quality and safety and year around availability of food. The supply chain and its strength and durability are crucial for a competitive advantage. Diversifying supply base through small share holder farmers may aid in creating a competitive advantage that has not only favorable economic returns but also aids to social impact.

Supplying large supermarkets presents both potentially large opportunities but also enormous challenges for smallholder farmers in rural areas. Opportunities arise for small

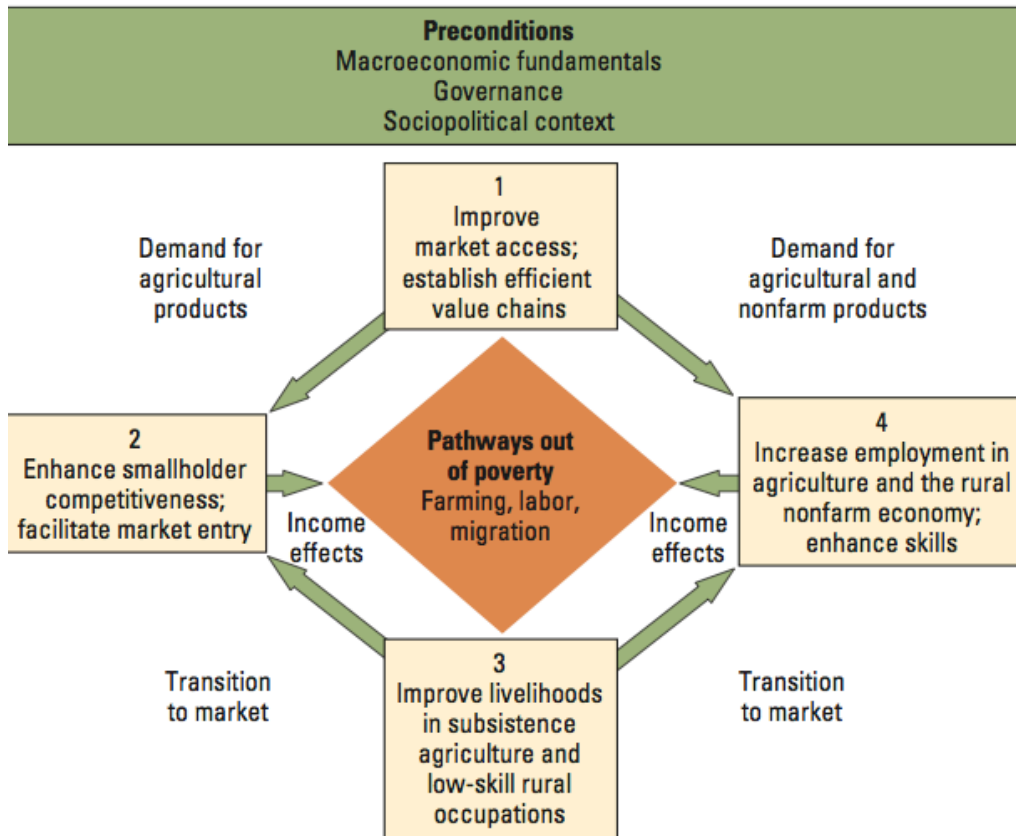
shareholder farmers to expand into new markets and receive premium price and profit from their outputs essentially increasing the well being of the livelihoods of small farmers. The challenges arise from the rigid procurement system that demands high quality and safety standards (Hantuba, supra: 19). In order to meet these standards various inputs are needed to comply. The emergence of inclusive business models that seek to provide economic returns as well as aid in development have been emerging to include the marginalized poor into modern business models.

3.6 New business models for agricultural development

3.6.1 Inclusive business models

“The best solutions for Africa come from Africa” (Wadongo, 2012). Development and the paradigms that it encompasses need to harness the capacities of the regions in order for sustainable development. The private sector has seen to be more effective in procuring the promotion of agriculture as innovative business models have found efficient ways to overcome challenges. (Growth and Productivity in Agriculture and Agribusiness, 2011: 32). Agribusiness, agro-industry and market activities are integral to agricultural and rural development. They connect farmers to the inputs necessary for market inclusion. Previously inaccessible economic opportunities that enhance linkages between agricultural and non-agricultural economic activities - roles well described in the 2008 World Development Report (World Bank 2007), are now being mitigated by new economic theory. A favorable sociopolitical climate, adequate governance, and sound macroeconomic fundamentals are required for making agriculture more effective in supporting sustainable growth and reducing poverty. It then requires defining an agenda for each country type, based on a combination of four policy objectives—forming a policy diamond (Agriculture for Development, 2007: 18).

Figure 3-3: Policy Diamond



Source: World Bank (2008), Agriculture for Development, Washington DC.

For Sub-Saharan Africa, the agenda is to improve the growth rates of business and encourage agricultural output. In order to improve agricultural output various actors must collaborate and adhere to formative lines of responsibility to assure impact. The state has a role in market development by assuring property rights, providing core public services and policy that encourages the business sector and provides a climate for sustainable business ethics. Partnering with the private sector and civil society is needed for implementing the agriculture-for-development agendas. (ibid: 23)

According to the 2006 OECD, it is clear that new economic models are emerging that depends upon collaboration, partnering and engaging multiple parties for development. Many of the new models involve private companies developing business opportunities

for rural communities by including the local people. The inclusion of rural communities elevates economic opportunities. The following table illustrates past agendas in comparison with new ones:

Table 3-2: Views of the Agenda through Time

Views under the traditional agenda	Views under the new agenda
Policies, institutions and investments in agriculture	Policies, institutions and investments <i>in and for</i> agriculture
One rural world	Multiple rural worlds
National markets	National, regional and global markets
Production units	Livelihood units
Agriculture = production	Agriculture = agricultural sector (inputs + production + post-harvest + manufacturing)
One work location	Multiple work locations
Single sector approach	Multi-sectoral approaches
Public sector	Public and private sectors
Food crops	Diverse income streams
Growth only	Growth that minimises risk and vulnerability
Driven by supply	Driven by supply and demand
Fundamentals	Fundamentals
Acknowledged	Delivered
The fundamentals are science, technology, infrastructure, land policy and education, extension and training.	

Source: Organization of Economic Co-operation and Development, 2006 *Promoting Pro-Poor Growth, Agriculture*.

The alliance between the World Business Council for Sustainable Development (WBCSD) and the Dutch development organization, SNV, and the United Nations Development Program (UNDP) coined the new term Inclusive Business. Inclusive business models link the poor with modern businesses. This inclusion takes on a new evolution of economics. Moore as cited in Harvard's Tackling Barriers to Scale defines business as an ecosystem. (Gradl and Knobloch 2011:8) The definition is not unlike partnerships as it identifies a range of stakeholders needed for success. Inclusive business and partnerships both encompass the notion of working together. Moore defines a business ecosystem as:

“ ...an economic community supported by a foundation of interacting organizations and individuals- the organisms of the business world. The economic community produces goods and services of value to customers, who are themselves members of the ecosystem. The member organisms also include suppliers, lead producers, suppliers and other stakeholders such as investors, trade associations, government agencies, and even competitors and roles, and align themselves with the directions set by one or more central organizations.” (Gradl and Knobloch, 2011: 8)

As mentioned above, there is five trillion US dollars of spending power in the bottom two thirds of the pyramid, which creates a considerable new market. The Inter American Development Bank (IADB) calls this “opportunities for the majority” (Inclusive Business Guide, 2010: 14). The model builds bridges between business and the poor for benefits delivered to both ends of the spectrum. The idea of this model is to create an alliance between all the sectors for the benefit of the business that indirectly benefits society at large. The benefits from inclusive business models go beyond immediate profits and higher incomes. For business, they include driving innovations, building markets and strengthening supply chains. And for the poor, they include higher productivity, sustainable earnings and greater empowerment (Creating value for all: strategies for doing business with the poor, 2009: 10). The poor can benefit on the demand side as clients and customers, as well as creating a labor force that is infiltrated into value chains at various stages. It is about creating a win-win situation.

Currently, income deviations are growing creating huge economical gaps in society. The people at the bottom of the global income pyramid are not dispersed equally throughout the globe; they mainly live in the slums and villages of developing countries. The differences between the various countries and regions can be clearly seen poverty is most widespread in Africa and Asia” (Inclusive Business Guide: 27). There is a huge gap in the population pyramid, at one end of the spectrum, there is the top of the pyramid that is capitalizing on markets and the other end of the spectrum are those excluded from markets.

“ The markets at the top of the income pyramid are largely saturated and it makes sense for companies to think about the business opportunities open to them in lower income segments. It is also important for companies to position themselves at an early stage in these markets to secure competitive advantage and more developing countries offer a stable environment for investment and trade. Many governments are working on reforms to reduce the time and costs of trade processes and improve reliability for business” (Inclusive Business Guide, 2010: 8)

A partnership model for Inclusive Business that includes small shareholder farmers presents an exciting new business opportunity.

Table 3-3: Challenges for inclusive Business Models

Challenge	Possible solution/s
<p>Need to change stereotypes that the poor are victims Supporting evidence: “perceptions of people living in poverty: from seeing them, not as needy victims, but as empowered and capable actors. People in developing countries are often portrayed as helpless, waiting with big, round eyes and hands outstretched for our handouts of food and water.” (Guide of inclusive business, 2010 p.14)</p>	<p>Empower the community so that they have the knowledge and skill set to navigate and negotiate in business.</p>
<p>Need to educate and empower to achieve efficiency Supporting evidence: “Consumers may not know the uses and benefits of particular products or may lack the skills to use them effectively. Suppliers, distributors and retailers may lack the knowledge and skills to deliver quality products and services consistently, on time and at a set cost”. (Creating value for all: strategies for doing business with the poor, UNDP 2009 p.53)</p>	<p>Local producers need to be trained in not only traditional 3R curriculum but develop skills on how to manage business and understand how comply and negotiate market quality standards.</p> <p>Businesses need to take the time to reassess their supply chains in order to determine how they can create the security of the value chain by analyzing production, transportation and other cost efficient projections.</p>
<p>Lack of market information Supporting evidence: “Entrepreneurs often lack detailed information about markets in poor areas, especially rural ones. These areas frequently lack intermediaries—such as market research or rating services—to consolidate or distribute such information, making it difficult to assess the viability of business ventures”. (Creating value for all: strategies for doing business with the poor, UNDP 2009, p.53)</p>	<p>Create a “cluster” for sharing experiences and knowledge. Capitalize on open innovation practices.</p>
<p>Lack of statistical information, up to date censuses about rural communities A lack of accessible information about the poor and the places where they live is one of the main constraints on inclusive business models. National statistical offices, development banks and donors have information from household surveys and market studies—but it remains buried in databases. (Creating value for all: strategies for doing business with the poor, UNDP 2009 p.54)</p>	<p>Directing resources of donor projects to meet gaps “By raising awareness, by providing basic education, by including groups that have been discriminated against and by conferring new hope and pride, inclusive business models can give people the confidence and strength to escape poverty using their own means”. (Creating value for all: strategies for doing business with the poor, UNDP 2009 p.45)</p>

Sources: referred inside the table.

Partnerships are at the core of inclusive business. Inclusive business tangibly expands the opportunities of the poor and creates a business model that engages all actors along the agri-supply chain, essentially creating a partnership. When the various actors along the supply chain come together and successfully engage, new models can be institutionalized and create a solid foundation for development. (Rein et.al, 2005)

Companies and entrepreneurs with products and services have the expertise and know how as well as the power to provide comprehensive, inclusive and sustainable response solutions to poverty eradication. The private sector brings innovative solutions to addressing development challenges. “These reforms will herald a new era of private sector led development work,” (UK Secretary of State for International Development, Andrew Mitchell, October 2010, London) including the poor in the core strategy of a business can provide financial gains while furthering human development. Partnerships that leverage investments of private capital can spur inclusive business models that include poor people within business value chains as producers, employees and consumers to contribute to development. Inclusive business fundamentally realigns the global economy to provide sustainability. Businesses grow organically and need not rely on donors and aid within a timeframe, they have the capacity to replicate and scale up impact quickly. The UNDP recommends that the development community should reverse the attitude of the past by welcoming companies into the development space. Development actors are being asked to understand what business will require in order to engage with development in a commercially viable manner (<http://www.growinginclusivemarkets.org/mdgreport/>).

3.7 Partnerships as a development mechanism

3.7.1 What is partnership?

The term “partnership” has been proliferating in the field of development. However, it is a heavy loaded term with several definitions. When you think of partnership you think of an alliance, which is defined as the merging of efforts or interest as well as the joining of states for mutual benefit. These definitions could be applied to the plethora of development jargon. The rhetoric of partnerships describes collaboration, which then in turn speaks of engagement and asserts assurance. The heavy loaded word of Partnership is prolifically turning up in development text as an idealized mechanism to mediate poverty.

“The term “partnership” can be confusing because it encompasses a range of different collaborative relationships, including those within and across different sector groups. A frequent misunderstanding is made between the cross-sector partnerships and Public Private Partnerships are formal contractual relationships between the private and public sector in which the private sector provides an upfront investment in infrastructure or technology in return for a long term concession, lease or fees for the provision of public goods or services. (Stott, 2008: 28)

Development partnerships are relationships between diverse actors from the public, private and civil society sectors. These different partners work together in areas of mutual interest to reduce poverty in developing countries and support the achievement of the Millennium Development Goals (MDGs). (Stott, 2011: 7)

Leda Stott states that partnerships typically involve two or more organizations that enter into a mutual arrangement that seeks “synergistic goals” that would not be possible to reach a single organization. A partnership thus needs the assistance of other actors to achieve an objective through a unified force that equally shares both the risk and benefits (Stott, 2007: 12).

This idea of partnership is often used in development and tends to be misunderstood as charity and seen solely a mechanism for recruiting donations. Partnership is not

sponsorship. “It involves the transfer of skills and expertise and places value on resources beyond cash.” MAXLT representative. (Conflicting Cultures, 2007: 12) Stott describes the core feature of partnerships as, “their ability to combine different sector resources, competencies and styles when working towards the achievement of a common societal goal, while offering mutual benefits to the parties involved which exceed the costs and risks of their participation.”(IMSD, notes, 2012)

3.7.2 How can partnerships promote sustainable development?

In this new globalized world poverty is not an isolated issue that can be solved by a single organization. Against a background of global change, sharing the skills and resources of different sectors by working together appears to have the potential to offer more integrated and sustainable development solutions than other alternatives (Stott, 2006: 1). Partnerships must draw from a variety of sectors working in collaboration to deliver mutual benefits. “Effective and accountable partnerships between strong and capable states, private sector businesses, civil society organizations and the UN system may actually be the only way to achieve wide ranging UN reforms as well as the MDGs.” (Stott, 2004: 24) The fundamental aspect is that various actors such as international agencies; businesses and public and civil society organizations work together in a partnership to address pressing economic, environmental and social challenges. (More information is provided in Appendix 6.)

3.7.3 What are the main challenges for partnerships?

Partnership is a relatively new social science and lacks the result- based evidence to support a concrete understanding as to the formation, implementation and institutionalization and the impact it delivers. Working in partnerships has both supporters and detractors: many critics believe that this way of working is simply an opportunity for the private sector to maximize profit and ‘white/greenwash’ its image

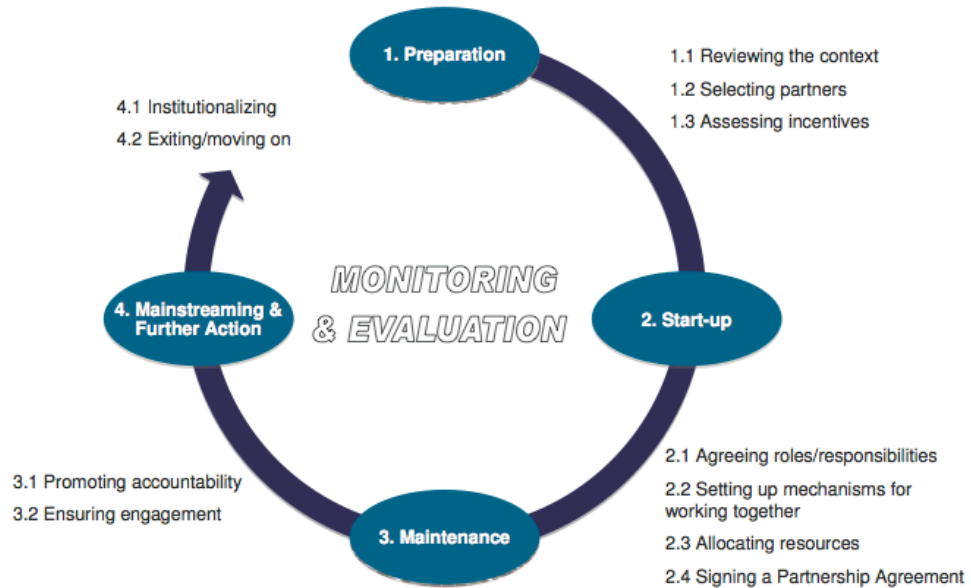
while those in favor tend to be unrealistic about what the “partnership development paradigm” can deliver. (Stott, 2006:1) Partnerships have been criticized as “unaccountable” because they are unanswerable to an overarching authority. This is complicated by the different degrees of accountability within them; to beneficiaries, to partner organizations themselves and, in many cases, to donors as well (ibid). Evaluating the risk and benefits of each partner will articulate the need for a partnership as well as the success.

Risk and benefits must be weighed so that no one party carries the majority of the risk nor the majority of the benefits. The risks involved in development partnerships may be mitigated or reduced by the very convergence of partnerships, through *sharing of risk*. Indeed, along with the multiplier effect of pooling resources and working together to achieve shared benefits which may not have been secured by individual parties, this is one of the very attractive aspects of multi-sectored partnerships for development. Effective risk management need not be a complex, time consuming or empty activity in the development of a partnership (ibid: 24) Without effective risk management the partnership will be set up to fail.

3.7.4 How can the challenges be overcome?

Partnership is a tool for sustainable development. The idea needs to follow certain accepted guidelines to what a partnership is and how it should evolve. It encompasses several challenges that must be mitigated in order to reach the intended objective. Several bodies of literature have emerged as to how to develop a partnership and execute its life cycle. Below the diagram describes different stages and the components correlating to each stage. (More information in Appendix 7) Monitoring and evaluation is the most important aspect, which is why it is in the center of the life cycle. Monitoring and evaluation should occur at every stage of the lifecycle.

Figure 3-4: Partnership Life Cycle



Source: Stott, L. (2011) The Partnership Cycle, Development Perspectives Slides, IMSD, 2011-12, EOI, Madrid.

Table 3-4: The Partnership Life Cycle Analysis

Life Cycle Stage	Sub-stage	Description
1. Preparation Phase	Reviewing the context	Considerations of political, economic and environmental conditions can highlight potential challenges and opportunities in the partnership
	Selecting partners	Partners should be selected upon the following criteria: resources, reputation, legitimacy, capacity, readiness to deliver, motivation and complementary nature.
	Assessing incentives	Benefits can be catalogued as incentives and can vary from partner to partner. Evaluating and weighing the incentives will constitute the level of engagement of partners. If there is a large deviation amongst incentives, the partnership will be inherently faulted. This is where the constant need for monitoring and evaluation is needed. The incentives, and the difference of each partner can make or break the partnership
2. Start Up	Agreeing roles/responsibilities	Shared responsibility will create the collaborative network for ensuring the success of the partnership.
	Setting up mechanisms for working together	It is of the utmost importance to establish mechanisms for communication and dialogue that facilitate decision-making and bypass conflict, which will create a foundation for exchange of information, in the pursuit of the partnership.
	Allocating resources	Resources will be allocated and a budget plan should be formulated and adhered to.
	Signing a partnership agreement	In order to ensure the engagement and success of a partnership a binding agreement such as a memorandum should be signed by all participating parties. This agreement sorts as a contract that clearly defines the intention of the partnership and the responsibilities and roles of the partners in a clear concise manner to alleviate any doubt
3. Maintenance	Promoting Accountability	This face is key to the partnership cycle since it tells if the partners are complying with their responsibilities as well with the commitment. Being accountable will determine the achievements of the objectives.
	Ensuring Engagement	Being able to maintain the level of engagement through the partnership will determine the success of it, since engagement is extremely linked with the incentives.
4. Mainstreaming and further action	Institutionalizing	This last stage of mainstreaming and institutionalizing is determining for the success of the partnership. The idea of the partnership is to create projects that can be sustainable through time and to have them running without the formalized partner agreement. In order to do this, it is important that when the partnership reaches its objective it dissolves. The success is measured for the ability of the objective to be institutionalized and sustained through time. There needs to be constant on going development in the partnership cycle in order to mainstream and institutionalize the objective of the partnership. Partnerships normally occur within a limited time scope. "Partnerships are not meant to be permanent but a transitional mechanism until practices become institutionalized or transactions-based," (Stott, 2006). Horizontal mainstreaming refers to the transfer between and across institutions and organizations. Vertical mainstreaming is more revered as it transfers practice into policy. The partnership is a tool for the successful institutionalization of a set objective.

Source: Stott, L. (2011) The Partnership Cycle, Development Perspectives Slides, IMSD, 2011-12, EOI, Madrid.

Monitoring and Evaluation

In order to ensure that every partner is equally invested it is important to monitor and evaluate the progress of the partnership. According to Stott, it is important to review partnerships in order to:

- Check on partnership development and the status of relationships
- Assess whether partnership activities have met their goals and had an impact
- Explore the added value of working in partnership

First and foremost again in this stage, the need for evaluation and monitoring is essential. Knowledge from a review should assist partners to make decisions about whether they:

- Are satisfied with the partnership's progress
- Have concerns but will settle for remaining
- Are dissatisfied and wish to re-negotiate terms of engagement
- See no further benefits and exit

The role of a partnership broker (it is important across all stages):

An important tool for a successful partnership is the effective brokerage. "A partnership broker operates as an active intermediary between different organizations and sectors that aim to collaborate as partners in a sustainable development initiative, (Tennyson, 2005) it takes great interpersonal skills (active listening, insightful engagement, neutrality) in order to guide the vision of the partnership. A broker can be either an individual or organization that works internally or externally. The broker should exhibit insight into each partner's perspective and provide practical, productive and tactful interventions that clarify the purpose and focus of the partnership. The broker must have efficient and transparent records for effective communication.

Such monitoring could bring insights into weaknesses that are arising in the partnership and allow for reworking and reframing in order to achieve the objective of the partnership.

USING INCENTIVES FOR MONITORING AND EVALUATION

BPD model offers a way of combining the two (Caplan et al. 2007). The authors suggest a model for assessing partnerships that is based on an analysis of drivers. They state that incentives and obligations lead partners to participate in a partnership. Participation means:

- Making and delivering on commitments
- Contributing to effective allocation of resources through joint decision-making

Maximized commitments and joint decision-making lead to optimum performance (outputs) of the partnership and partnership success (wider outcomes and reach).

CHAPTER 4: THE LUANGENI PARTNERSHIP

4.1 The Partnership Context

4.1.1 Zambia

Zambia is a landlocked country located in southern Africa. It shares borders in the north with the Democratic Republic of the Congo, in the northeast, Tanzania, in the south Mozambique, Zimbabwe, Botswana and Namibia and to the west is Angola. Zambia is divided into nine provinces and then subdivided into 72 districts. The capital Lusaka is located in the south central region. The population in 2000 was 9,885,591. As of 2010, the population rapidly increased to 13,046,508 (ZAMSTATS, 2011: 2), roughly 65 per cent of which lives in rural areas.

Figure 4-1: Map of Zambia



World Bank (WB) 2008, *The International Development Association Country Assistance Strategy for The Republic of Zambia*, Author, s.l.

Zambia's physical geography has allowed for the development of different economic sectors such as mining and agriculture. The topography is comprised of high plateaus and then the elevation decreases as one moves towards the south, meeting the Zambezi River and surrounding tributaries. The temperature varies throughout the year, ranging from 30-35°C in October to 5-10°C in July, defining climate patterns into three main seasons: a cool-dry season (April-August), a hot-dry season (August-November) and a warm-wet season (November-April). The quality and grade of the soils varies significantly. In the northern regions the land is composed of acidic soil, contradictory to the Eastern, Southern, Central and Lusaka Provinces that boast more fertile soil. In the north and northwestern regions there is a pattern of high rainfall, which creates a vegetation of savannah woodlands. In the southern regions there are low levels of rainfall, which yield tropical grasslands⁷.

The variety of geological terrains and the multiplicity of thermal and tectonic events have overprinted and shaped terrains that have endowed Zambia. Zambia is rich in mineral resources. Copper, cobalt and coal are mined on a large-scale. The country also boasts deposits of gold, diamonds, zinc, uranium, gemstones and a variety of gemstones that include emeralds, amethyst, aquamarine, tourmaline, garnet and citrine. The mining sector, particularly copper mining, has been the prime driver of economic development in Zambia since their independence. Copper mines are largely concentrated mainly in the north of Lusaka. It has become formally referred to as the Copperbelt.

The extraction of copper began during the colonial period, which lasted from 1899 to 1964. For centuries before 1899, several ethnic groups were living relatively in isolation with varying dialects. There was no unifying political structure but rather regions with local chiefs. 1899 marks the beginning of the colonization of Zambia. Britain through a private enterprise namely British South African Company (BSAC), signed treaties with the natives that gave the UK the opportunity to exploit minerals.

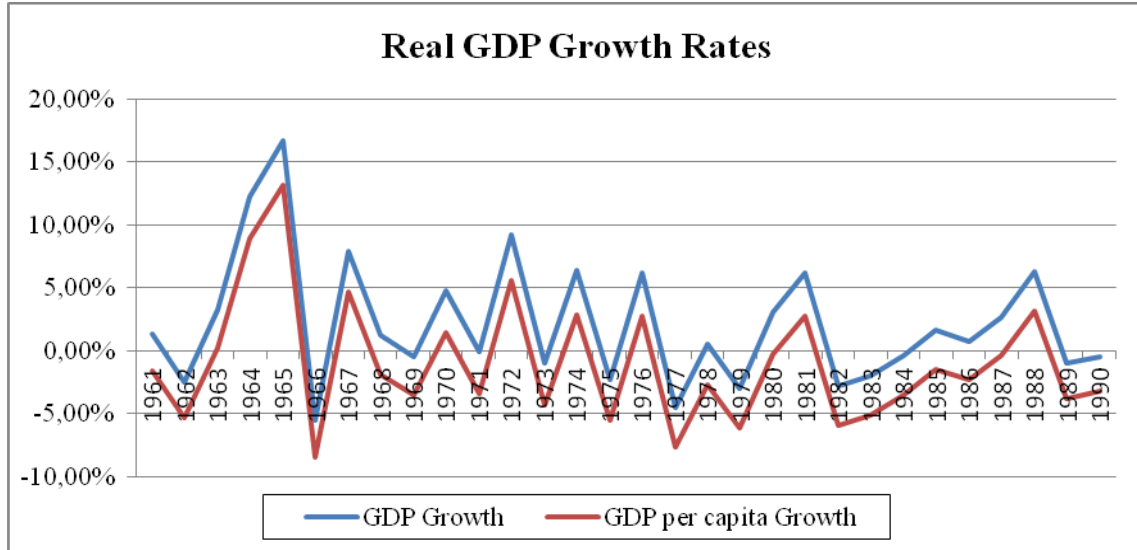
⁷ (See Appendix 7, to know more about Zambia's Ecoregions)

The mines were owned and managed by two private companies, the Roan Selection Trust and the Anglo-American Corporation.

In 1924, the administration of Zambia - which was referred to at the time as Northern Rhodesia - was transferred to the British colonial office as a protectorate. The British control lasted until 1964, when Northern Rhodesia received its independence from Britain and became officially known as Zambia. Independence represented a pivotal moment in Zambia's political history however did not provide an answer for the overwhelming problems that existed; a weak institutional framework and the economy largely dependent on copper stagnated growth. Despite the economic growth averaging three per cent from 1964 to 1974, Zambia was thrown off course when the global price of copper collapsed and further exasperated by conflict from neighboring countries and the severe repercussions of the first oil shock (McCulloch, Baulch & Cherel-Robson, 2000: 4).

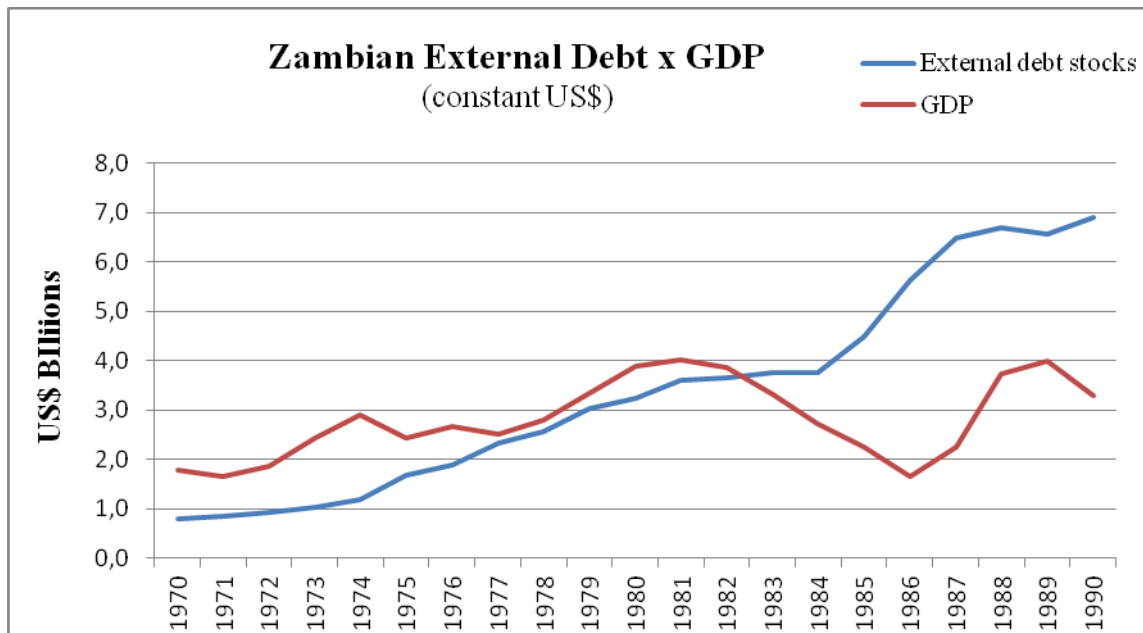
The President Kenneth Kaunda of socialist party known as the United National Independence Party's had set forth to intensify the role of state. The Mulungushi Declaration in 1968 found it difficult to manage and maintain its policies, such as free education, free housing, water and other facilities, as well as subsidies on food for urban poor due to the instability of the GDP per capita. There were significant fluctuations in the GDP and in the external debt until 1990. Testifying to the lack of growth:

Figure 4-2: Zambia's Real GDP Growth Rates (1961-1990)



Source: World Bank (WB) 2012, *World Development Indicators*, USA, viewed 17 June 2012, <<http://databank.worldbank.org/ddp/home.do>>

Figure 4-3: Zambia's Debt compared to GDP (1961-1990)



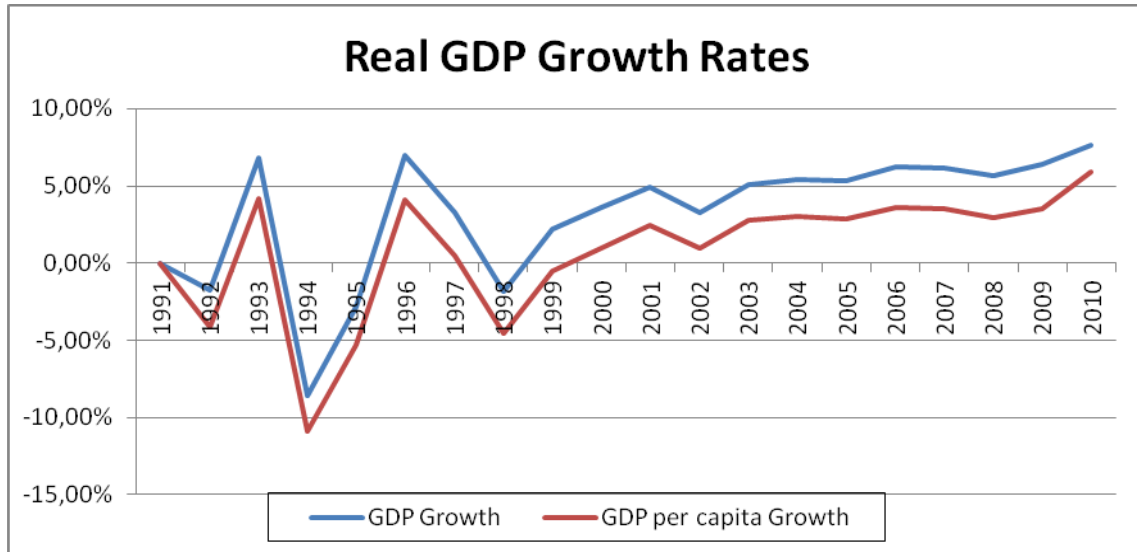
Source: World Bank (WB) 2012, *World Development Indicators*, USA, viewed 17 June 2012, <<http://databank.worldbank.org/ddp/home.do>>

The rising external debt brought the attention of the International Monetary Fund (IMF) and the World Bank (WB) in 1989, which imposed a Structural Adjustment Program (SAP). The objective was to help alleviate Zambia's external debt.

There was a change in political parties when long standing Kenneth Kaunda was defeated by the former trade unionist Frederick Chiluba, a member of the Movement for Multiparty Democracy (MMD). The new government imposed economic reforms, one of which was the launch of an extensive privatization program carried out by the Zambia Privatization Agency (ZPA). Between 1992 and 1998, most of the public companies moved to the private sector. According to Partnership Forum, this situation drastically reduced the role of the state in the economy moving from 80 percent government based companies to 30 per cent in 1991.

The immediate results of the new policies were catastrophic. Most of the economic and social indicators showed a downward spiral in the first years of implementation (McCulloch, Baulch & Cherel-Robson, 2000: 5-6). The Human Development Index (HDI), that was about 0,401 in 1980, dropped to 0,371 by 2000 (UNDP, 2012). The unstable climate and its impact on the economy resulted in a decrease of 17 per cent in real GDP per capita between 1990 and 2000.

Figure 4-4: Zambia's Real GDP Growth Rates (1991-2010)



Source: World Bank (WB) 2012, *World Development Indicators*, USA, viewed 17 June 2012, <<http://databank.worldbank.org/ddp/home.do>>

The beginning of the new century marked an era of recovery for the Zambian economy. From 2000 to 2010, real GDP increased by 72.6 per cent, while GDP per capita increased by 36,2 per cent. The growth and expansion of the external market for cooper and other influential factors, such as the access to the Heavily Indebted Poor Countries (HIPC)⁸ Initiative, contributed to the increase and the availability of public resources in order to foster development, which was illustrated in the increase of GDP.

Zambia's government set ambitious goals in terms of economic development, described in its official document Vision 2030 and in its Fifth National Development Plan (FNDP). The main goal of Zambia was to elevate its economic status from a low-income to a middle-income country by 2030. To achieve this goal, according to the World Bank (2008:7), "Zambia needs to grow faster than its current rate of six percent per year in order to achieve its Millennium Development Goals and the

⁸ The Heavily Indebted Poor Countries (HIPC) Initiative was purposed by the G8 countries in 2005, leading to 100 per cent cancelation of debt owed by selected countries to International Development Association (IDA), the African Development Fund (AfDF) and the International Monetary Fund (IMF).

national vision of becoming a middle-income economy by 2030.” Agriculture was identified as a sector that offered the most potential for growth.

Zambia still faces huge challenges for eradicating poverty and increasing the overall wellbeing of society. “Despite robust and increasingly broad-based growth in recent years aggregate poverty rates in Zambia have declined only slightly and remain high. ... Poverty rates remain highest in rural areas (80 percent) where two-thirds of Zambia’s population resides” (Ianchovichina & Lundstrom, 2008: 8). This fact indicates that there are enormous social issues that need to be addressed. This is highlighted by the performance in regards to the HDI, whom in which placed Zambia in the 164th position among 187 countries. This statistic is reinforced by high inequalities rates and abundance of poverty related indicators.

Whilst the privatization program reinforced the role of the private sector for the promotion of economic growth and consequently development, the business environment inhibited successful growth. The Global Competitiveness Report 2011-2012⁹ places Zambia in the 113rd position among the 142 countries evaluated impacted mainly by a general lack of infrastructure, low availability of qualified human resources and small internal market intensified by corruption halted business growth.

However, the World Bank (2008: 42-43) outlooks for Zambia a positive scenario in general. If the above-mentioned constraints are correctly addressed, Zambia could have substantial growth. By doing so, the country will be in a position to capitalize on its plentiful natural resource supplies.

⁹ The World Economic Forum’s Centre for Global Competitiveness and Performance generates the Global Competitiveness Report, which goal is to mirror the business operating environment and competitiveness of more than 140 economies worldwide. The report identifies the main advantages and impediments to national economic growth. To see more, visit <<http://www.weforum.org/issues/global-competitiveness/index.html>>.

4.1.2 Agriculture in Zambia

Traditionally, Zambia was focused in mining activities largely due to its colonial era. Zambia overlooked its agricultural potential (Deininger & Olinto, 2000: 7). The agricultural sector, focused on subsistence farming for food security. The government through subsidies attempted to assure harvest yields. Those subsidies transformed and led to the expansion of maize crops concentrated in areas constantly threatened and suffering from droughts. Minimal investments in efficiency and high value crops have kept Zambia's agriculture focused on low resilient profitability products. In addition, subsidies for ensuring food security represented a huge fiscal burden to the government. (Deininger & Olinto, *ibid*)

There were some attempts to encourage agricultural potential previously, but the most substantial reform in the occurred in the beginning of the 1990's, with the implementation of the Structural Adjustment Program. Hantuba states:

“In agriculture the reforms’ main thrust has involved the decontrol of agricultural prices and the liberalisation of crop marketing. The agricultural policy has thus emphasized government withdrawal from direct involvement in agricultural marketing and input supply, freeing prices, removing subsidies, privatizing agro-parastatals, liberalizing trade in farm products, inputs and machinery, renting out and selling public storage facilities to the private sector and removal of constraints and distortions to international trade in farm products... Up to the end of 2001, agricultural reforms were implemented through the Agricultural Sector Investment Programme (ASIP), whose key objectives were:

- Assure national and household food security through dependable annual production of adequate basic foodstuffs at competitive cost.
- Ensure that the existing agricultural resource base is maintained and improved upon.
- Generate income and employment to maximum feasible levels through full realization of both domestic and export market potential.
- Contribute to sustainable industrial development through the use of locally produced agro-based raw materials in line with international comparative advantage.
- Expand significantly the sector's contribution to the national balance of payments by expanding agricultural exports.”

Despite efforts devoted to the process of promoting agricultural development, the SAP did not succeed in the beginning. Again because Zambia was impacted by the

high prices of necessary inputs and by natural disasters, such as drought in 1992, the reforms presented disappointing results (Deininger, K. and Olinto, supra: 5-6).

By the late 1990s and the following decade, agriculture remained marginalized. A certain level of diversification of gains was promoted and taken advantage of by some producers, however the big picture reflects low productivity, especially for smallholders, who are more crippled by poverty. According to the (Ianchovichina & Lundstrom, 2008:19) there are a small number of export-oriented farmers who boast productivity to levels similar to that of developed countries. On the other hand, a large number of subsistence-oriented smallholders have extremely low productivity levels, due to (a) poor access to commercial knowledge, inputs and markets; (b) lack of infrastructure; (c) misdirection of public resources into subsidies; and (d) vulnerability to risks, mainly land tenure and impacts of climate change.

Since more than 80 per cent of the poor people lives in rural areas, addressing those shortcomings is critical to alleviate poverty in Zambia. Government is working towards a more efficient subsidies system, releasing money from maize and fertilizers and redirecting to targeted areas to promote diversification into high value crops. The government is working to enhance trading activities and markets for smallholders and direct investment towards infrastructure. Zambia still needs the resources and the capacity to manage land right. The participation of other sectors from the society, mainly the private sector and international organizations, is also aiding in addressing these problems. An example of such aid has been the Country Assistance Strategy 2008-2011 instituted by the World Bank.

As alluded to previously, access to markets remains a barrier. Markets have been traditionally dominated by farm gate markets and middlemen (Hantuba, 2004: 9). The emergence of supermarkets has compromised traditional markets. Farmers in order to be considered for inclusion must deliver consistency of production; adhere to high quality standards, which will require the farmer's capacity in efficient crop management. The dissemination of education and knowledge of productive farming

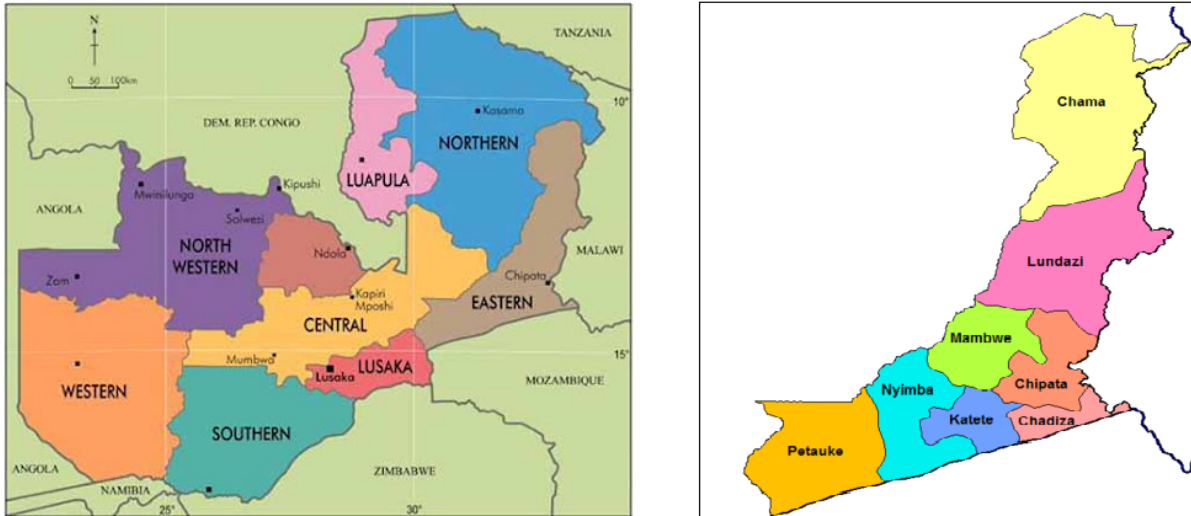
technique as outlined in the Good Agricultural Practices (GAP) could capacitate farmers to take advantage of the new market channels' that have arisen as a consequence to big retail supermarkets expansion.

4.2 Luangeni Village, Chipata, Eastern Province

Far away from the traditional economic axis, resides the rural community of Luangeni, which is located in the district of the Eastern Province of Zambia known as Chipata. The Eastern Province situated adjacent to Malawi and Mozambique is the largest province approximately 69.100 square kilometers, yet it is the third most populated area with approximately 1,700,000 people (ZAMSTATS, 2011:2). The lower population density and vast amounts of land quantifies the prevalence of rural livelihoods. 80 per cent of the province's population lives in rural areas; it is the least urbanized area in Zambia. It greatly contrasts to other regions such as Lusaka and Copperbelt, in which 80 per cent of the populations are concentrated in urban areas. (NCC, 2010: 32). The population suffers from high incidences of poverty and lack of access to primary services, such as education, health assistance and water supply¹⁰.

¹⁰ More information available in International Monetary Fund (IMF) 2007, *Zambia: Poverty Reduction Strategy Paper*, Author, Washington, DC: 332-333).

Figure 4-5: Zambia Provinces and Eastern Province



Sources: Zambia-USA Chamber of Commerce, *Comparative Advantage of Zambia's Provinces*, viewed on 20 June 2012, <<http://www.zambiausachamber.org/opportunities-by-province.html>> and Wikipedia, Eastern Province, Zambia, viewed on 20 June 2012, http://en.wikipedia.org/wiki/File:Eastern_Zambia_districts.png

According to ZAMSTATS (2011: 13), the population was as 452,428. The ten years previous to this study revealed an average annual growth rate of 2.1 per cent. The fortified eco-region in Chipata has an annual rainfall of 800-1000 mm. Chipata is favorable for agriculture production, with abundant arable land is frequently noted as having comparative advantages in terms of agricultural development. Luangeni is a poor rural community located within the Chipata District with a population of about 2000 people. The vast majority of residents rely on small scale agriculture for their livelihoods. Before the emergence of the partnership the community was compromised by negative social trends (Mulenga,2004). Key constraints for the region are not unlike the rest of the country. The constraints identified are as follows:

Environment: victim of tropical storm and extreme droughts;

Infrastructure: poor roads, limited credit facilities, high nominal interest rates and a narrow range of export crops (WTO, 2002);

Gender inequality: Female-headed households among agricultural households increased from 20 percent in 1998 to 23 per cent in 2001, their participation in larger scale operations is limited by lack of access to production inputs (MOFED, 2002), low productivity;

Low Productivity: sector requires considerable investment to expand markets;

High Production cost: High prices of inputs, especially energy and fertilizer;

Trade and Investment: International Monetary Fund (2007) cites unfair trade practices with the country's regional neighbors; low competitiveness; and overall reduction in investment flows in the sector' as the most significant constraints to growth.

According to Mulenga (2004: 2), the long-term residents of the village affirmed that rising poverty levels were due to the high cost of agricultural inputs and poor distributions systems, as well as the collapse in prices of some agricultural commodities, especially maize. Constraints were closely linked to the withdrawal of subsidies for inputs and decontrol of outputs prices, in the context of the economic liberalization. In order to mitigate constraints, MAFF (2001) notes that the government has put in place incentives such as an appropriate exchange rate regime, financing facilities, duty exemptions and lower duty rates to stimulate production for export markets.

Kalungu Banda and Yambayamba (2000) stated that during the research visits to the community, only 20 per cent of the children they encountered were enrolled in school; the rate of adults that had attended primary school did not reach 30 per cent. Of all the households interviewed, 89 per cent could not afford to pay the user fee for the nearest health center and therefore relies on traditional medicines and herbs. Agriculture is vital to the Luangeni community, due to Luangeni's agricultural vocation; most people there affirmed that in order to reverse the situation they need

access to farm inputs, implements (for one season) and access to viable and predictable market. The local people admitted water was not a major problem.

4.3 The Luangeni Community Partnership Project

4.3.1 a. Background

The impact of business since the privatization program of 1991 was raising questions about business ethics and corporate responsibility. The impacts of big business needed to be assessed. The pilot project was first conceived at the end of the 1990s, when the Department of Philosophy of the University of Zambia was developing research projects to evaluate business organizations in terms of good social practices. Students were stationed in Luangeni and learnt of the anger and rage the community felt towards Shoprite.

In an interview conducted with Martin Kalungu-Banda, he reflected on how the partnership began. He stated “I started partnership work by accident. I started a new job at the University of Zambia focusing on business ethics. I ended up running a television program in order to reach the community and discuss moral of businesses in Zambia.” (Skype Interview with Martin Kalaungu-Banda, 2012). The British Council, The British council, Danish Embassy and the Prince of Wales Business Leaders Forum (PWBLF) picked up on Martin’s messages and invited him to England to explore his ideas in relation to the Luangeni Community. After Martin met with various leaders and experts in development he learned that the “the best way to make business ethics practical was to push cross sector partnerships.” (ibid) Martin was motivated to make change and when he arrived back to Zambia he actively sought out businesses, government officials and academic institutions, to share his experience and ideas that developed and how the Partnership Forum emerged.

The Partnership Forum

A partnership group working for the promotion of shareholder value and societal value; it aimed to accelerate sustainable development through the collaboration of private, public and civil society. The goals involved synergizing actions, sharing experiences and investigating; in order to improve collaboration and build partnerships for sustainable. In order to achieve such ambitious goals the PF intended to bolster training and capacity-building, research and report, disseminate information and take action for the harmony between business, government and civil society.

Reviewing the Zambia's context, four strategic themes were identified by the Partnership Forum:

- 1- Corporate Governance
- 2- Economics and Business Development
- 3- Agriculture
- 4- Environmental Department

An organized management structure was established to help accomplish the goals outlined by the Partnership Forum. It was composed of three bodies: Secretariat, the Board and Members. The idea was that business institutions would participate in the Board. The Chief Executive Officer (CEO), as the head of the Secretariat, would recruit one Director per each strategic theme and an Officer Manager. The first CEO of the Partnership Forum was Mr. Martin Kalungu-Banda who as mentioned before was the coordinator in the Business Ethics Course at the University of Zambia, whilst its flagship project was Luangeni Community Partnership.

4.3.2 How the Partnership started

As part of the curriculum of the Department of Philosophy of the University of Zambia, two researchers were stationed in the Luangeni village for thirty days to learn about the community and the governance in relation to agriculture. The researchers learned that the community hated Shoprite. Shoprite had destroyed their market opportunities and worsened already difficult circumstances. Some villagers went, as far as to say that they wanted to burn Shoprite down. The uproar the community had towards Shoprite led the researcher to propose making links between the big retail supermarket Shoprite and the community.

Figure 4-6: Local Farmers in Zambia



Shoprite is a group of companies focused on food retailing which, through its subsidiaries operates 1246 corporate and 274 franchise outlets in 16 countries across Africa and the Indian Oceans. The holding company is publicly listed on the Johannesburg Stock Exchange (JSE), with secondary holdings in both Namibian and Zambian Stock exchanges

Figure 4.7 – Shoprite’s Distribution of Operations



Source: Shoprite Holdings Ltd. 2012, *Competing with the Right Strategy - Integrated Report 2011*, Author, Republic of South Africa.

The origin of Shoprite Group’s activities dates back to 1979, in Cape Town. Throughout the 1980’s the group expanded its operations in South Africa, and by the end of the decade, it was listed on the JSE and owned roughly 40 stores. In 1991, when the Group acquired Checkers, a South African national supermarket chain that represented the expansion of about six-fold the number of stores owned.

The following decade was marked by the end of Apartheid, and consequently businesses were able to target and expand new markets, since supermarkets were not allowed to be located in townships during the apartheid. However, competitive pressure (and relatively saturated markets) at the top end of the market has pushed Shoprite to expand into townships. (D. Weatherspoon and T. Reardon).

In the 2000’s, Shoprite took advantage also of neo-liberalization policies and the boom of urbanization in some African countries expanded their market opportunities beyond their traditional niche. Supermarkets outside South Africa still account only for 10.1 per cent of the total turnover; however, other African markets are seen as a great opportunity to expansion. Shoprite’s 2010 Annual Report also indicates that foreign operations have generated a higher turnover growth. Shoprite’s started its operations in Zambia by purchasing six buildings through the Zambia Privatization Agency in 1995. The Group has invested a considerable amount in the country to reach the current number of 19 stores, besides nine other branded stores controlled by Shoprite Holding.

Main Sources: Shoprite Holdings Ltd. 2012, *Competing with the Right Strategy – Integrated Report 2011*, Author, Republic of South Africa.

Weatherspoon, D., and Reardon, T., 2003 “The Rise of Supermarkets in Africa: Implications for Agrifood Systems and the Rural Poor”, *Development Policy Review*, Vol. 21, No. 3, 333-355.

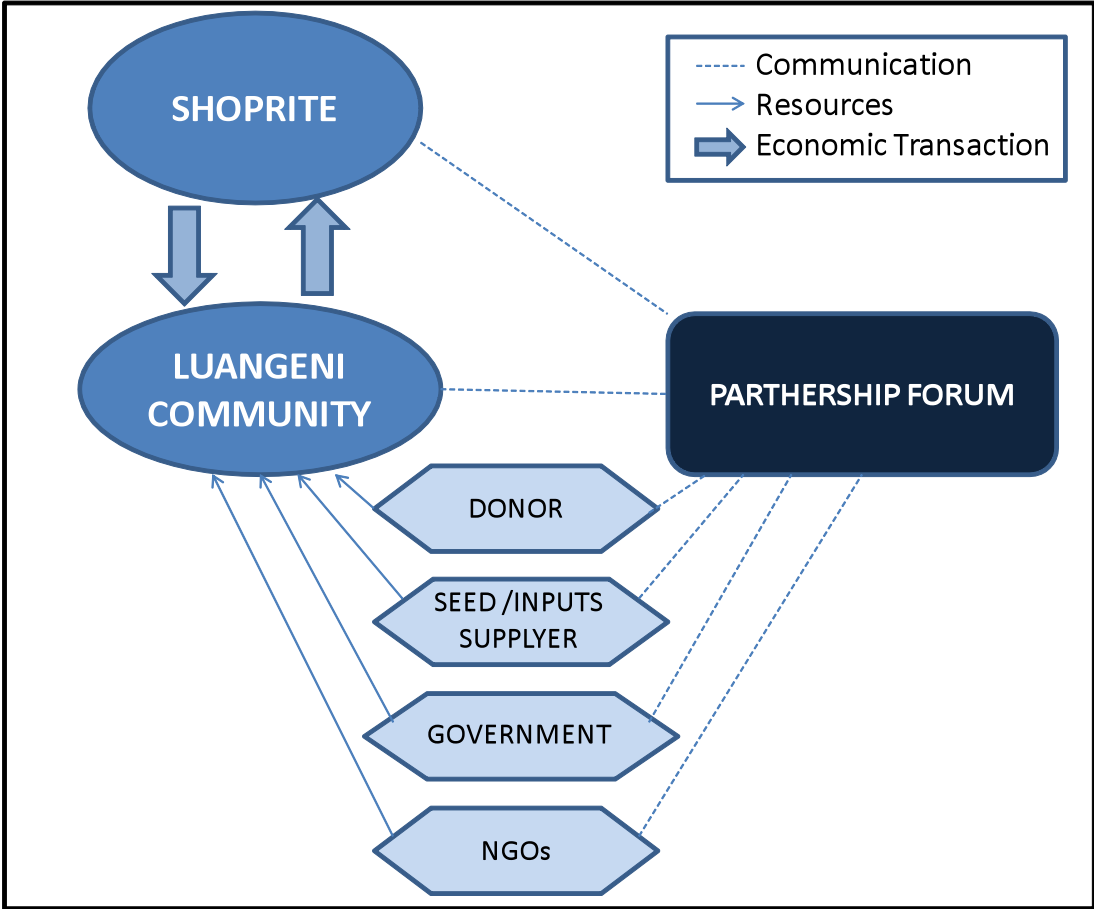
Shoprite in Chipata, the closest supermarket to the Luangeni Community began operations in 1998. Shoprite's subsidiary Freshmark handled the distribution of fresh fruit and vegetables, using its distribution centers located in Lusaka and Kitwe. From the very beginning, the store was met with hostility from local producers. Shoprite goods are predominantly imported from South Africa except for a few local products. Out of the selected goods, South Africa has a share of 59.3 per cent while Zambian products account for 36.4 per cent and the rest of the goods 4.3 per cent are sourced elsewhere. Zambia's small markets were affected by Shoprite's presence. The conflict between local community of small producers and the business model implemented by Shoprite was well known throughout Luangeni. The main complaint was that Shoprite had stolen their (the people of Zambia's) market.

According to one villager interviewed by the lead researching team of the partnership stated, "Before the coming of Shoprite, we used to grow vegetables of various types which we would, every weekend, take to the 'Boma' (market) in Chipata for sale. We used to realize enough money to pay for our children's school fees and for the user fees at Mwami Hospital. ... Shoprite came on scene, everybody in Chipata started shunning our vegetables in preference for those in Shoprite". (Yambayamba and Kalungu-Banda, 2000). The tension in the community was evident. Another community member stated: "We pray for the day when there will be a riot in Chipata and Shoprite gets looted, or if somebody could set fire on the shop. Then we would be left to do our business" (ibid). The Partnership Forum saw a unique opportunity to broker a relationship between Shoprite and the Luangeni Community that would promote the inclusion of small shareholder farmers. The partnership sought to contribute to sustainable development through proposing to Shoprite to include small farmers in their value chain. Dr. Kalungu-Banda was the CEO of the Partnership Forum, serving as a broker. Dr. Kalungu-Banda sought out meetings with the main identified partners and "sold" the partnership idea through the benefits the partner would receive and of course the overall objective for sustainable development.

4.3.3 The Structure of the Partnership

The Model:

Figure 4-7: The Luangeni Partnership Model



The Partners

Table 4-1: Luangeni Partnership's Initial Partners and Roles

PARTNERS	REPRESENTATIVES	ROLE
SHOPRITE	SHOPRITE CHIPATA	<ul style="list-style-type: none"> • Meet partial of the initial costs of inputs • Provide the standards of vegetables expected from the community • Undertake to buy the vegetables that meet the agreed conditions
LUANGENI COMMUNITY	LUANGENI COOPERATIVE	<ul style="list-style-type: none"> • Produce vegetables in the quantity and quality agreed with Shoprite
DONOR	CORDAID ¹¹	<ul style="list-style-type: none"> • Provide the money required by the project
SEED/INPUT SUPPLIER	ZAMSEED ¹²	<ul style="list-style-type: none"> • Meet part of the initial seed requirement
GOVERNMENT	MINISTRY OF AGRICULTURE	<ul style="list-style-type: none"> • Provide extension services
	CHIPATA MUNICIPAL COUNCIL	<ul style="list-style-type: none"> • Grade feeder roads
NGOs	WORLD VISION ¹³	<ul style="list-style-type: none"> • Organize and animate community • Provide extension services • Provide some inputs
	PAM ¹⁴	
	LWF ¹⁵	
	VCS ¹⁶	

¹¹ The Catholic Organisation for Relief and Development Aid (Cordaid) is a Dutch development agency which objective is to help fighting poverty and exclusion in fragile states and areas of conflict and extreme inequality. Source: <http://www.cordaid.nl>

¹² ZAMSEED is a Zambian producer of various types of certified seeds for both the local and export markets. The product range includes maize seed, soyabeans, millets, groundnuts, sorghum, cowpeas, sunflower, wheat, beans and vegetable seeds. Source: <http://zamseed.co.zm/>

¹³ World Vision (WV), founded in 1950 in the United States, is a Christian humanitarian organization which seeks to contribute for tackling the causes of poverty and injustice. Its main activities are concentrated in disaster relief, poverty reduction and hunger alleviation in over 100 countries. Source: <http://www.wvi.org/wvi/wviweb.nsf>

¹⁴ Programme Against Malnutrition (PAM) is an umbrella NGO founded in 1993. Through working with more than 100 other NGOs, PAM seeks to facilitate and provide services for the attainment of prosperous livelihoods for vulnerable people in Zambia by improving food security, nutrition and incomes. Source: <http://www.charity-charities.org/Zambia-charities/Lusaka-1585348.html>

¹⁵ The Lutheran World Federation (LWF) is a global communion of Christian churches in the Lutheran tradition. It was founded in 1947 in Sweden, their main actions are concentrated on communications, ecumenical and interfaith relations, capacity building, advocacy, humanitarian assistance, theology, mission and development. Source: <http://www.lutheranworld.org/lwf/>

¹⁶ Village Service Centre is a NGO operating in Zambia.

Source: Yambayamba, K. E. S. & Kalungu-Banda, M. 2000, Creating a partnership Between Business, Government and Civil Society: The case of the Luangeni Farming Community in Chipata, Forum for Business Leaders and Social Partners (Partnership Forum), Lusaka.

Steering Committee

After several meetings with the government, NGOs, Shoprite and other private and public entities created the Steering Committee to establish lines of communication.

Table 4-2: Steering Committee's Initial Composition

Steering Committee - Initial Composition	
Ministry of Agriculture Food & Fisheries - MAFF	Mr. Sishekanu (Chairman)
Lutheran World Federation – LWF	Ms. Josephene Musamba
Programme Against Malnutrition – PAM	Mr. Edify Hamukale
Chipata Municipal Council – CMC	Ms. Elizabeth K. Phiri
Village Service Centre – VSC	Ms. Alice Lukhelo

Source: Yambayamba, K. E. S. & Kalungu-Banda, M. 2000, Creating a partnership Between Business, Government and Civil Society: The case of the Luangeni Farming Community in Chipata, Forum for Business Leaders and Social Partners (Partnership Forum), Lusaka.

General Objectives

After meeting with potential partners, the Partnership Forum considered the project ready to be designed and implemented. According to Yambayamba and Kalungu-Banda (2000), the objectives of the partnership were:

- To facilitate the increase in the capacity of the Luangeni Community to produce adequate and qualitative vegetables in Chipata Shoprite.
- To promote the forging of viable economic links between Chipata Shoprite and the Luangeni Community.
- To facilitate the enhancement of the ability of 50 per cent of the Luangeni Community households to increase their earnings per annum by 300 per cent by the end of the year 2001
- To facilitate access to education of 50 per cent of the children in Luangeni Village through increased household earnings by the year 2001.
- To facilitate increased access to health service of 70 per cent of the households in Luangeni Village by earning enough to be able to pay health user fees.
- To facilitate the Luangeni Community earn at least K1,000,000 per week from Shoprite Chipata's K5,000,000 expenditure on vegetables per week by the year 2001.

- To advocate for policies and laws that promote the well being of both businesses and communities in Chipata District.

The same document also detailed a projected timeline for the roles and responsibilities. This work plan can be found in Appendix 9.

4.3.4 The development of the partnership

Pilot Project

Although the initial timeline set the startup of the partnership in 2000, the pilot project implemented in 2001 was considered to be the beginning of the Luangeni Partnership's activities on the ground. For this phase, to last one year, the outlined objectives as well as the projected short-term result were delineated as follows:

- "To facilitate the increase in the capacity of the Luangeni community to produce on a monthly basis at least 2.4 tonnes of tomatoes, 4.0 tonnes of cabbages, 2.0 tonnes of onions and 0.4 ton of okra, of acceptable quality to be marketed to Chipata Shoprite.
- To promote the forging of viable economic links between Shoprite and the Luangeni community through regular discussions on new opportunities for increased business volume and ensuring that all the produce by the Luangeni community is absorbed by Shoprite both locally and other outlets outside Chipata.
- To facilitate the enhancement of the ability of at least 60 households in Luangeni Village to increase their earnings from the current K43,000 (approximately US \$14.00) per annum or US \$1.67 per month to K150,000 (approximately US \$50.00) per month by the end of 2001.
- To facilitate increased access to health services of at least 60 households in the Luangeni village by earning enough to be able to pay health user fees (currently at US \$1.33).
- To facilitate access to education of at least 100 children in Luangeni village through increased household earnings, by the end of 2001.
- To promote gender equality by ensuring that there is equal participation in production activities and economic empowerment of both men and women in all participating households, and also ensuring that female-headed households are given equal chance in this empowerment." (Partnership Forum, 2002, p.3)

The identified partners are the Luangeni Community, Shoprite, Zamseed, the Ministry of Agriculture Food and Fisheries (MAFF), the Chipata District Council and NGOs. All initial identified partners were involved, most of them contributing to the development of the partnership through in kind resources. The financial resources were delivered by CORDAID, in the amount of NGL 100,000 approximately 40,000 euros. At the beginning, 60 out of the 135 households in Luangeni were selected to participate. As the project took off, 161 people attended to the training sessions, but attendance diminished as farming activities aimed at production for Shoprite began. The attendance dropped to 89 farmers. Those farmers were trained in Leadership Dynamics, Business Management and Horticultural Production, as shown in the work plan contained in Appendix 9.

Results of Pilot Project

The overall results of the pilot project, CORDAID considered positive for its success in triggering the development and initiated the next phase of the Luangeni Partnership. The outlined objectives were almost fully accomplished, despite some challenges faced during the implementation. The following table outlines the objective and the results.

Table 4-3: Results of the Pilot Project

Objective	Summary of the Observed Results* (dec2001)
<p>1. To facilitate the increase in the capacity of the Luangeni community to produce on a monthly basis at least 2.4 tones of tomatoes, 4.0 tones of cabbages, 2.0. tones of onions and 0.4 ton of okra, of acceptable quality to be marketed to Chipata Shoprite.</p>	<ul style="list-style-type: none"> • 10 tons of tomatoes were produced between October and November. • About 30 tons of cabbage were produced. • It's been impossible to estimate the production of onions. • Okra and spinach production failed completely due to the cold season and waterlogged soil conditions. • Other vegetables such as green beans and carrots were also being produced at a smaller amount.
<p>2. To promote the forging of viable economic links between Shoprite and the Luangeni community through regular discussions on new opportunities for increased business volume and ensuring that all the produce by the Luangeni community is absorbed by Shoprite both locally and other outlets outside Chipata.</p>	<ul style="list-style-type: none"> • The communication channel between community and Shoprite was effectively opened. • Only 1 ton out of 10 tons produced by community was marketed to Shoprite. • Shoprite fulfilled its obligations to buy cabbage, but due to the surplus, most of it ended up in the open market. • The abundance of onions from other suppliers led Shoprite not to buy this product from Luangeni for a period of time. • Shoprite purchased about 0,5 tons of green beans from Luangeni. • Shoprite was buying samples of carrots to evaluate the quality.
<p>3. To facilitate the enhancement of the ability of at least 60 households in Luangeni Village to increase their earnings from the current K43,000 (approximately US \$14.00) per annum or US \$1.67 per month to K150,000 (approximately US \$50.00) per month by the end of 2001.</p>	<ul style="list-style-type: none"> • 89 households benefited from the project (65 in Luangeni village and 24 in Kaluwa village). Only one farmer could not generate income, because his okra crop failed. • The increase in monthly average earnings was as of about 2.800%, reaching K145.650, equivalent to approximately US\$ 48,55. The goal was close to be achieved.
<p>4. To facilitate increased access to health services of at least 60 households in the Luangeni village by earning enough to be able to pay health user fees (currently at US \$1.33).</p>	<ul style="list-style-type: none"> • All the participating farmers said they could, for the first time, afford to pay user fees and even buy some medicines off the counter.

<p>5. To facilitate access to education of at least 100 children in Luangeni village through increased household earnings, by the end of 2001.</p>	<ul style="list-style-type: none"> • Despite the difficult to have evidences, since the incomes start to raise by the end of school year, all participating farmers affirmed they could finally afford paying for the school requirements for their children (e.g. books, pens, pencils, etc.).
<p>6. To promote gender equality by ensuring that there is equal participation in production activities and economic empowerment of both men and women in all participating households, and also ensuring that female-headed households are given equal chance in this empowerment.</p>	<ul style="list-style-type: none"> • A woman was chosen as chairperson for the cooperative in Luangeni. • The group of farmers was composed by 30 women, 34 men and 25 classified as youths.

Source: Partnership Forum, (2002: 7-11)

As illustrated above, the performance of the partnership in this first stage can be considered a success. The community was producing vegetables in an organized fashion and partially sold to Shoprite. The incomes of the farmers rose significantly, leading the community to fulfill objectives such as being able to pay for education and health. Gender inequality was decreasing; husbands started to work with their wives in a collaborate manner that was not seen previously to the partnership.

The pilot project expanded its horizons with the inclusion of farmers from a neighboring village called Kaluwa. The political relation between the two communities was stable. However, the project was designed for the Luangeni village and Kaluwa’s participation was limited to 25 farmers. During the training sessions, 24 farmers from Kaluwa attended meetings and 65 farmers from the Luangeni community.

In general, the pilot project was considered to have been successful by the Partnership Forum. The pilot Project engaged 89 farmers, representing about four point five per cent of Luangeni’s population. According to Partnership Forum (2004: 1), “it became clear that the project had great potential to create impact on the ground on a long-

term sustainable basis. The partnership created was unique in that it involved the engagement of the local community in Chipata with the mainstream economy.” There is further documentation reaffirming the success of the start-up of the partnership and provides credibility to the Partnership.

The Luangeni project was show-cased at the 2002 World Summit on Sustainable Development (WSSD) in Johannesburg, South Africa. Promoted by the United Nations, the event echoed throughout the world, drawing attention to the Luangeni case. Secondly, there was an attempt by the Partnership Forum to replicate the model adopted in another Zambian community affected by Shoprite’s activities, near the capital Lusaka. This community, located in a region called the Chamba Valley, had some different components and factors that resulted in different outcomes, less favorable than those observed in Luangeni.

Challenges did arise during the pilot project. First, some activities cost more than expected, a common problem in partnerships. Budgets rarely are adhered to. Secondly, there was a delay in the planting of fields due to logistical problems such as seeds supply, which in turn resulted in delaying production and increased cost. The third identified challenge was that the community produced excess vegetables than originally agreed upon with Shoprite and the surplus was not properly redirected. The greatest two challenges remained: the community found it difficult to comply with Shoprite’s high quality standards, especially tomatoes. The supermarket even went as far as to re-nig on the agreement and suspended purchase of tomatoes for a certain period of time. The second greatest challenge was communication constraints that failed to monitor and evaluate problems before they emerged, or as they emerged in order to mitigate effectively.

In light of the problems encountered, the following approach was taken:

- i. “Recalculate and cut down on the amount of seed to avoid having too much of one crop at any single time.
- ii. Buy only those varieties that Shoprite wants. If such seed is not available at Zamseed, it can be bought from other seed companies.
- iii. Plant mainly high value vegetable crops rather than what everybody else grows.
- iv. Stagger the nurseries in terms of dates rather than preparing all of them at the same time. This would ensure continuous supply of the vegetables.
- v. Shoprite should give the community a calendar of “demand and supply” of various vegetable types. The community then would strategize the supply of the vegetables.
- vi. Shoprite should liaise with all its outlets so that the excess vegetables from Chipata can be transported to the other outlets.
- vii. Shoprite offered an empty space where Luangeni farmers can do a “Friday” green market. This means on the days that Shoprite is not buying from Luangeni, the farmers can use this space instead of going to the open markets.” (Partnership Forum, 2002: 6)

The mentioned challenges were the foundation for adapting the objectives of partnership to the following stage.

The second phase: Implementation

Following a somewhat successful pilot phase, the project was ready for implementation within the limited timeframe between 2002-2003, with redefined objectives, according to (Partnership Forum, 2004: 2-3):

- 1- “To facilitate the increase in the capacity of the Luangeni community with respect to planning and executing vegetation production programs as well as initiating business dialogue with Shoprite, Zamseed and Government. This capacity should be achieved by 31st May 2003.
- 2- To refocus on the promotion of forging of viable economic links between Shoprite and the Luangeni community through regular discussions aimed at further increasing the farmers’ capacity and marketing the excess horticultural products to at least one Shoprite outlet outside Chipata by 30th November 2003.

- 3- To facilitate enhancement of the ability of the Luangeni farmers to further increase their earnings to K200,000 per month by 30th April 2003.
- 4- In conjunction with Shoprite, to facilitate the development of a “Green Market” for Chipata residents by 31st December 2002. Farmers will be able to sell part of their produce directly to customers once every week in the premises to be offered by Shoprite.”

In order to finance the implementation, CORDAID invested an additional NGL 100.000,00, combined with more in kind resources coming from the partners identified (appendix xxx). However, unlike the pilot project the partnership was to run for a two year period: from January 2002 to December 2003. The implementation phase was supported by a new work plan, as detailed in the Appendix 10, as well as new roles and lines of responsibilities for the named partners. Moreover, new partners came into the partnership yet were not named as such. For example the NGO, Society for Family Health which saw a synergetic opportunity to promote their missing in raising awareness about HIV/AIDS in the community and the Eastern Seed and Vet Ltd.

Table 4-4: Luangeni Partnership's Second Phase Partners and Roles

PARTNERS	REPRESENTATIVES	ROLE
SHOPRITE	SHOPRITE CHIPATA	<ul style="list-style-type: none"> • Participate in training sessions (mentoring) to build capacity in the community. • Register the Luangeni Community as regular suppliers. • Buy off excess produce from the Luangeni farmers and transport to Lusaka through Freshmark. • Have a regular schedule to buy from Luangeni rather than random orders. • Open a file for Luangeni in order to keep records of how much produce is coming from Luangeni. • Provide a venue and support the establishment of the "Green Market"
LUANGENI COMMUNITY	LUANGENI COOPERATIVE	<ul style="list-style-type: none"> • Be more dedicated this time than they were the previous year. • Focus on capacity building through training sessions. • Each household to keep records of their business. • Compile reports about HIV/AIDS activities within the community. • Open a bank account specifically for the "Luangeni Project".
DONOR	CORDAID	<ul style="list-style-type: none"> • Provide the money required by the project
SEED/INPUT SUPPLIER	EASTERN SEED AND VET LTD	<ul style="list-style-type: none"> • Supply fertilizer and chemicals to the Luangeni farmers. • Deliver the inputs as well as provide extension services to the farmers. • Participate in the training sessions for farmers.
	ZAMSEED	<ul style="list-style-type: none"> • Would continue supplying quality seed to the farmers. • Would participate in mentoring farmers.
GOVERNMENT	MINISTRY OF AGRICULTURE	<ul style="list-style-type: none"> • Continue providing technical and professional expertise. • Work together with the farmers and ensure that they abide by the farming techniques they have learnt. • That the DACO or the Chief Horticultural Officer would chair the committee of partners.
	CHIPATA MUNICIPAL COUNCIL	<ul style="list-style-type: none"> • Grade feeder roads
NGOs	SOCIETY FOR FAMILY HEALTH ¹⁷	<ul style="list-style-type: none"> • Raise awareness about HIV/AIDS
	PAM	<ul style="list-style-type: none"> • Organize and animate community
	LWA	<ul style="list-style-type: none"> • Provide extension services
	SCS	<ul style="list-style-type: none"> • Provide some inputs

Source: Forum for Business Leaders & Social Partners (Partnership Forum) 2004, *Annual Report on the Luangeni Project in Chipata (2002-2003)*, Project No. C-159/10023, report submitted to CORDAID, Author, Lusaka

¹⁷ Society for Family Health (SFH) is an organization founded in South Africa in 1992. Through the implementation of a range of HIV prevention programs, it aims to provide HIV prevention products, services and information. Source: <http://www.sfh.co.za>

The objective of detailing new roles was to make the partnership stronger by engaging Shoprite in the promotion of capacity building in the community. The initial concept of including small shareholder farmers was abandoned and instead Shoprite was to provide a space next to Shoprite known as the Green Market for farmers to sell their goods. This seems ironic considering it created competition for Shoprite. Shoprite also agreed it would buy excess stock of the farmers. Linkage between business and community went beyond just Shoprite for instance the entrance of Eastern Seed and Vet Ltd. Created more business links.

Another important change in the ongoing partnership was the replacement of the broker. Martin Kalungu-Banda was replaced by Dr. Kavwanga E. S. Yambayamba in the position of Partnership Forum's CEO. Up to that moment, Dr. Yambayamba was the principal researcher and Director of the Agriculture and Environmental areas within the Partnership Forum, having participated in the Luangeni Project since its initiation.

Results of the implementation

The reported results come from third party evaluators funded by CORDAID. In general, the results of the activities in the partnership were considered to be very positive; despite the fact that not all of the objectives were accomplished, it is understood that the community was uplifted. This phase unlike the first was able to meet their budget. Looking more in depth into each objective, it is possible to have a better idea of the true performance of the Luangeni Partnership.

Table 4-5: Results of the Second Phase

Objective	Summary of the Observed Results* (dec2003)
<p>1. To facilitate the increase in the capacity of the Luangeni community with respect to planning and executing vegetation production programs as well as initiating business dialogue with Shoprite, Zamseed and Government. This capacity should be achieved by 31st May 2003.</p>	<ul style="list-style-type: none"> • The community was able to develop planning skills for their own farming programs • 67 out of 93 farmers attained the ability to keep activities and financial records. • Shoprite participated in 3 out of the 6 training sessions. The participation of the private companies enabled the interaction between the community and managers.
<p>2. To refocus on the promotion of forging of viable economic links between Shoprite and the Luangeni community through regular discussions aimed at further increasing the farmers' capacity and marketing the excess horticultural products to at least one Shoprite outlet outside Chipata by 30th November 2003.</p>	<ul style="list-style-type: none"> • Farmers were able to meet the minimum quality standards for all crops. • Shoprite did not comply with its promise to buy the excess goods, which were intended to be, distributed to other Shoprite outlets outside Chipata.
<p>3. To facilitate enhancement of the ability of the Luangeni farmers to further increase their earnings to K200, 000 per month by 30th April 2003.</p>	<ul style="list-style-type: none"> • On average, the income levels per household per month reached ZMK450, 000, thus exceeding the target by more than 100%. (Taking off the costs the inputs and labor).
<p>4. In conjunction with Shoprite, to facilitate the development of a "Green Market" for Chipata residents by 31st December 2002. Farmers will be able to sell part of their produce directly to customers once every week in the premises to be offered by Shoprite</p>	<ul style="list-style-type: none"> • The Green Market had not been established by the end of 2003. However, the community had completed the construction of shelves/tables for the potential use during sales.

Source: Forum for Business Leaders & Social Partners (Partnership Forum) 2004, *Annual Report on the Luangeni Project in Chipata (2002-2003)*, Project No. C-159/10023, report submitted to CORDAID, Author, Lusaka

Despite the overall positive achievements, the community complained about Shoprite's engagement in the partnership. According to them:

1. Sometimes Shoprite ignored Luangeni at the moment of making orders or just told them that they could buy only once a month because it had enough products coming from Freshmark. In the opinion of the community, Shoprite did not comply with its agreements.
2. Vegetables were purchased in a small scale, except green beans. Most of the production ended up in the open market.
3. Only the store manager and, up to some extent, the sales manager showed interest in the partnership within Shoprite's corporate structure.
4. Shoprite did not honor the agreement of buying off the exceeding production during the Green Market day or selling this excess to Freshmark for distribution to other stores in Zambia.

In conclusion the community felt that Shoprite did not honor their agreement yet farmers were not put off to the idea of building future links with Shoprite. The inclusion of Luangeni community into Shoprite's supply chain never procured.

4.3.5 The end of the partnership

The purpose of the partnership was to build capacity within the community and to create links between private sector, Shoprite and civil society, the Luangeni community. It was clear that the broker had intended and expected the relationship to last for a long time. However, the faulty partnership was for a set period of time. Partnership Forum (2002) projected by the end of the pilot project that "it is envisaged that by the end of the three years, this relationship will be running on its own". However, there is no evidence to the sustainability of the objective.

At the end, the partnership did not achieve its main objective to link Shoprite and the Luangeni Community. By 2006, the number of farmers involved in the cooperative had dropped significantly. Still, according to Miller (2004) “while the initial militancy of the Luangeni farming community was stymied through the formation of a partnership between the company and the villagers, an important organizational initiative was begun through the formation of a village cooperative that in January 2007 still facilitated the combined response of villagers to their local problems”. There were no evidences that the partnership was running after its implementation phase.

An attempt to replicate the Luangeni Community Partnership model was undertaken in the Chamba Valley, a rural area near Lusaka. The main challenges faced by smallholders were similar to those encountered in Luangeni, the overall social situation was meek. However, there were important differences, for instance in Chamba valley Freshmark was a named partner. Also, there was a previous local cooperative, which had already attempted to integrate small farmers into big retail supermarkets without success. Like the Luangeni Community Partnership, there were positive social impacts as well as challenges and barriers. Overall the participation was much lower and linking Shoprite to small shareholder farmers was never fully realize

CHAPTER 5: FINDINGS AND ANALYSIS

This chapter provides a discussion of the style and purpose of the partnership and its effect on development. The case study intends to grasp the complexity of a single case: Luangeni Community Partnership Project. The researchers would like to revisit the tenet of the research methodology and articulate the validity in which our report is credible and inform the reader of the limitations encountered.

Certain themes and motifs began to emerge during the thematic review. The researchers' reflections and issues were continuously evolving and emails were abundant to share information, questions, challenges and insight into Luangeni Partnership. The report has internal reliability being four people doing the same research has strengthened the validity of our report as it has been possible for us to discuss the individual observations, and debate on what was experienced during the research (Bryman, 2008: 376). The primary data collection methods used in the research is qualitative. Bryman and Burges (1999) define qualitative methods as a method that "seeks to understand the world through interacting with, emphasizing with and interpreting the actions and perceptions of its actors" (cited in Scheyvens and Storey, 2003: 57) Information was sorted into different categories and interviews were meticulously analyzed. Researchers were driven to investigate the case by the unique aspect of a multinational, Shoprite aiming to include small shareholder farmers. However, as the investigation unfolded, instead of answering how this was achieved, the researchers answer why it was not achieved. In this section we attempt to analyze the findings of the case study under a number of key headings addressing our original research questions and pose questions to our research and draw conclusions.

Our original research questions:

1. The original objective was an inclusive business model for Shoprite's value chain; to what extent was this achieved?
2. How did the Luangeni Partnership successfully employ the Partnership Lifecycle and abide to and evaluate the necessary components that comprise a partnership?
3. Did the Luangeni Partnership implement formalized change for the promotion of agriculture?
4. How has Shoprite added value and contributed to empower the Luangeni Farming Community?

5.1 Reliability and Constraints of Analysis.

The researchers would like to address the limitations of our study and barriers that were faced in the research process. The researchers have found that certain data was inaccessible and if had been available would have led to the ability to create scenarios of validity and reliability by building qualitative datasets. The nature of case study, its form of inquiry and its qualitative nature have led to challenges in analysis and discussion data as outlined below:

5.1.1 Validity

The case study can be judged positively for the following reasons:

- We believe that Luangeni Partnership reflects a representative sample of rural poverty and its dependence on agriculture. It has external validity since rival and incongruent propositions were used; reflecting on Yin, “the more rivals that your analysis addresses and rejects, the more confidence you can place in your findings,” (2003: 113).

- In order to construct validity we have utilized multiple sources of evidence (partnership proposal, records, interviews etc.) in order to establish a chain of evidence.

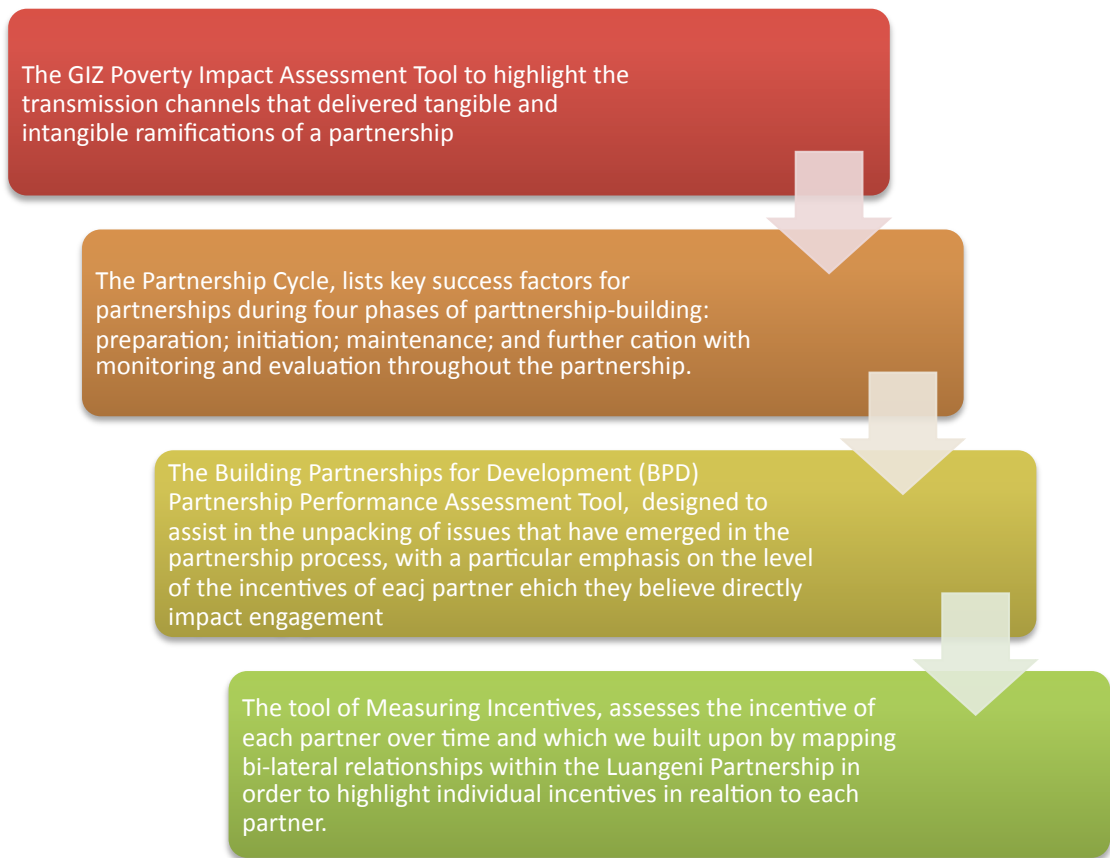
5.1.2 Limitations

Table 5-1: Case Study’s Limitation

Limitation	Description
No research on the ground	We were unable to visit the site in order to get a first hand perspective and understanding of the village, the impact and the general reflection of the Partnership in the eyes of the community We lack information about the situation now, whether the community is still selling to Shoprite or not is not documented. Shoprite was unavailable for an interview
Limited access to those involved in the partnership	Interviews were limited to the broker and lead researchers. Shoprite was unavailable for an interview; furthermore it was difficult for interviewees to remember all the details after such a long time. It would have being insightful to hear from Shoprite, NGOs, the Government and CORDAID perspective of the partnership.
Poor Documentation	<p><u>From Shoprite:</u> No construct validity conclusions can be made due to the absence of the cost benefit analysis conducted by Shoprite that was cited as a motivation for Shoprite to join the partnership. No access to the reported analysis that concluded the Luangeni produce supply is more beneficial than other suppliers. If this primary data was done it could lead to the quantitative statistics needed to make a business case to Shoprite.</p> <p><u>No access to the contract between Freshmark and Shoprite:</u> This inhibits transparency and it would reveal insight into Shoprite’s agricultural value chain. It would be a valuable insight into the business world, into the procurement system of Shoprite and could allow small shareholder farmers a negotiating platform. The contract would have allowed us the opportunity to compute the scale necessary for successful inclusion of the farmers.</p> <p><u>From others:</u></p> <ul style="list-style-type: none"> • No attendance sheets to clarify how many farmers were trained each day; only general statistics from the Evaluator’s Report to CORDAID. • No specifics as to how the training sessions were managed and what methods were used to teach. • No recorded minutes, which would give value insight into the interpersonal relations developed amongst partners. Communication was limited and documentation of brokerage and dialogue is reported not scripted. • No documents of track changes, such as when, how and why new partners came in. • Lack of a baseline.
Research group’s time	As the investigation unfolded more and more points of interest emerged; that the research could benefit from extended exploration. We were constrained to a three-month investigation.
Weak process of evaluation and monitoring	No evaluation of the results of the pilot project. There is poor documentation, most of the things happened informally and there is no evaluation of long term achievements

5.2 Tools

By applying and adapting analytical models and tools that enable us to explore and reflect on the Partnership and its lessons in greater depth. A key element of success of a partnership is its capacity to make an impact on poverty reduction. The following tools below were utilized to build an assessment framework in a structured process and methodology for assessing the outcome of the partnership and the combination of subunit developments to reflect on the Luangeni Community Partnership.



Source¹⁸

¹⁸ GIZ (2011) *Poverty-Oriented Planning & Reporting for Development Partnerships*, Centre for Cooperation with the Private Sector, Africa, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Eschborn
 Stott, L. (2011) *The Partnership Cycle, Development Perspectives Slides*, IMSD, 2011-12, EOI, Madrid
 Caplan, K, Gomme, J., Mugabi, J. & Stott, L. (2007) *Assessing Partnership Performance: Understanding the drivers for success*, BPD, London
 Stott, L. & Keatman, T. (2005) *Tools for Measuring Community Engagement in Partnerships, BPD Practitioner Note*, London

5.2.1 GIZ Poverty Impact Assessment Tool.

Using the GIZ table allows us to illustrate what changes were initiated by the partnership among various transmission channels. It articulates the intentions of phase one and phase two and the tangible and intangible outcomes that resulted from the partnership. The results have worked in two dimensions of sustainable development: Social and Economic. While these advances are laudable it is worth noting that there were no positive environmental results and issues relating to the degradation of the environment and climate change were never acknowledged.

Table 5-2: GIZ Poverty Impact Assessment Tool for Luangeni Partnership

Transmission channels	Details of change initiated by partnership	Pilot Phase	Implementation phase	Challenges results
Production	Capacity of the Luangeni community to consistently produce vegetables of acceptable quality to be marketed to Shoprite.	+	+	Deliveries from Luangeni were erratic and not always working according to the agreed plan. Shoprite did not honor the arrangement of buying-off the excess produce during the Green market day, nor selling the excess produce to Freshmark for distribution to the Lusaka Stores By the end of the partnership, most of the production was sold in the open market, instead of being part of Shoprite's supply chain. The only vegetables purchased in larger scale were green beans
Wages/income	Income levels per household to rise consistently.	++	++	On average, the income levels per household per month reached ZMK 450, 000 by the end of December 2003, thus exceeding the target of K200, 000 for the second phase by more than 100%. This income level was arrived at by actually taking off the costs of all the inputs (assuming the farmer himself had spent his own money) and labor.
Training and capacity building	To provide training sessions for farming technique and business relationships as well as education on HIV/AIDS and gender empowerment	+	++	Most farmers could just not build the technical capacity to produce high quality vegetables in the right quantities as demanded by Shoprite. Especially during the second phase, when the focus was clearly capacity building, farmers were trained in different skills such as commercial skills, basic finance and farming techniques. The training sessions also covered secondary

				topics related to the community. Issues on HIV/AIDS were seriously taken, with the engagement of Society for Family Health, a NGO working in the region. Gender equality was addressed as well, proven by the extensive participation of women in the project, which was unusual according to the prevailing culture in Luangeni so far.
Formal organization	The Luangeni Partnership established between Zamseed, Shoprite, MACO, World Vision and the Community	+	0	The document setting the ground for partnership did not define important parameters for the partnership. There were no clear formal structure and the agreements did not reflect the changes such as the entrance of new partners and new roles division.
Informal relations	The possibility to bring in partners from different spheres (public, private and civil society), promoting the dialogue amongst them.	+	+	Shoprite attended to part of the training sessions, thus opening the possibility to the community to break the existing barrier between society and business.
Physical	Provision of basic infrastructure and inputs in order to improve the ability of the community to provide and distribute vegetables.	+	+	Seeds and fertilizers were provided to the community to improve the productivity and the quality of the crops. However, some seeds provided did not comply with Shoprite's requirements, showing a lack of communication amongst partners.
Education	Capacity of the Luangeni people to pay for education fees and materials for their children.	+	+	At the end of the second phase, most farmers affirmed they could finally afford paying for education fees and complementary materials for education.
Health	Capacity of the Luangeni people to afford paying for health fees.	+	+	At the end of the second phase, most farmers affirmed they could finally afford paying for health fees.
Social	To promote gender equality And community collaboration	++	++	The social gap between men and women was narrowed as the two could interact freely. One neighboring community got involved in the project, enhancing social cohesion in the region
Financial				

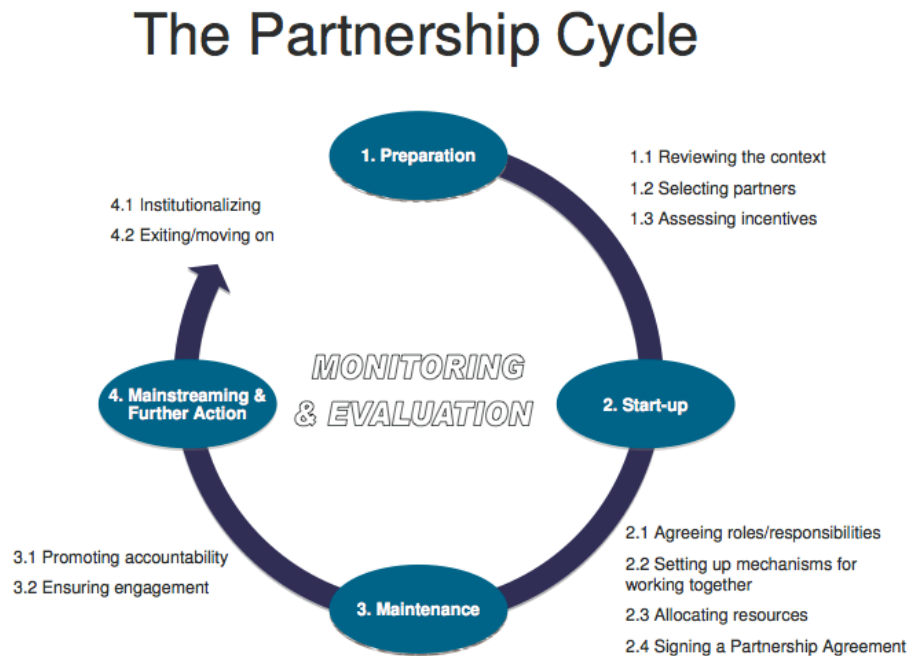
The key tangible outputs that were seen in Luangeni Community Partnership Project were the increases in quality production and income. Farmers gained access to seeds, fertilizer, hoes and other minimal inputs for farming and successfully increased their wealth. The increase of income allowed for them to afford education and health service fees as well as the ability to purchase bicycles and make home improvements. Long-term sustainable impact, however, is abstruse. Reported intangible outcomes appear to be that through the capacity building and training sessions farmers increased their knowledge about farming techniques, HIV/AIDS and gender empowerment.

Gender equality through the encouragement and participation of women is a noted consequence of the partnership. Women being the predominant farmers should receive the most attention for capacity building. Gender empowerment was seen in that woman of the LCPP were involved in decision making, increased income allowed for increase in ownership of assets. Women were engaging the community, speaking in public and being seen as leaders. HIV/AIDS awareness can also significantly change rural households.

However, the relationship between Shoprite and the Luangeni Community was never strong and appears to have worsened over time. At the end of the second phase of the Partnership the Community stressed that they felt that Shoprite was not honest in their agreements while Shoprite did not view the Community as a reliable producer source. The objective of including small shareholder farmers was largely abandoned impeding on the full potential of the partnership. Thus it is important to evaluate the stages of the partnership lifecycle and the failure of key components.

5.2.2 Partnership Cycle

Figure 5-1: Partnership Life Cycle



Source: (Stott, IMSD, 2011)

The life cycle assessment is an informative tool in access how the partnership was built overtime. The evaluation of the life cycle highlights where the Luangeni Partnership failed to deliver key components of a partnership. The life cycle analysis clarifies the main implications of the partnership and highlights the organizational capacity to deliver the objectives of the partnership. The intention of the partnership was that through a series of activities would aim to deliver mutually benefits to business, government and civil society. The life cycle illustrates how the scope completely changed direction and focus at the hand of the donor’s influence. This table below outlines through each step of the Partnership life cycle the key components that are needed for a successful partnership and where the Luangeni Partnership succeeded and failed.

Table 5-3: The Luangeni Partnership Life Cycle

Stage of the partnership cycle	Element of each cycle	Luangeni Partnership	Strengths and Weaknesses
PREPARATION PHASE	Reviewing the context	YES	(+) Team of researchers conducted field work (+) Students stayed in the community 30 days (+) The project was envisaged by Zambian professionals (-) Weak contextual study of Shoprite
	Set timeline	YES	(+) Detailed timelines for pilot project and implementation phase
	Broker	PARTIALLY	(+) Passion delivered (-) Brokers were novice in partnerships
	Assessing Incentives	YES	(+) Meetings with potential partners proved incentives
	Shared Risks	NO	(-) Donor and community carried the weight of risk
STARTUP PHASE	Agreeing Roles	YES	(+) Partners agreed on specific roles in the beginning
	Mechanisms for working together	PARTIALLY	(+) Broker's and Steering Committee's mediator roles (-) Channels of communication were not established (-) Money invested by donor and Shoprite's created an unbalanced decision making process
	Allocating Resources	PARTIALLY	(+) All partners contributed with in kind resources and a donor invested the required amount of money for the project (-) Shoprite, a critical partner, had low resource commitments
	Agreement	PARTIALLY	(+) There was a MOU setting the ground for the Partnership (-) The MOU was weak, since it did not define roles and responsibilities, penalties, decision-making process and establish communication.
MAINTANANCE PHASE	Promoting Accountability through monitoring	NO	(-) Methodology was not clear and monitoring reports are not available (-) The monitoring and evaluation reports did not seem to have a relevant impact on Shoprite's behavior
	Ensuring engagement	NO	(-) Lack of long term incentives pushed down the level of engagement for some partners, mainly Shoprite
MAINSTREAMING AND INSTITUTIONALIZATION	Changed mindset	PARTIALLY	(+) Community more collaborative and empowered (-) Shoprite never valued farmers as agents in their supply chain
	Business model instituonalized	NO	(-) Shoprite did not change core model to include small holder farmers
EVALUATION		PARTIALLY	(+) Detailed evaluation reports for pilot project and implementation phase (-) No long term evaluation of the sustainable impact of the partnership

Table 5-4: Key Findings from the Luangeni Life Cycle Study

Partnership Cycle Phase	Key finding
Preparation	Contextual Study: In the preparation stage the LCPP successfully constructed an in-depth contextual study of the Luangeni Community. However, no complex contextual study was done on Shoprite. The integrity of the preparation stage allows for the understanding and feasibility of the objective of the partnership, the preparation stage needed much more fieldwork and a better understanding of Shoprite’s value chain.
Preparation	Undefined Partners: It is essential to identify all relevant stakeholders for a potential partnership. The LCPP failed to identify the following key stakeholders: Freshmark, Sheni and Eastern Seed and Veterinary Services Limited, Teachers. Teachers could have aided in capacity building. Freshmark was the middleman between Shoprite and the Community, and Freshmark could have helped to build the communities capacity for business relationship and reinforce the central objective. The inclusion of Seni and Eastern Seed would have reduced risk and provide reinforcement for Zamseed. Engaging with all relevant stakeholders leads to more equitable and sustainable development of the partnership.
Initiation	Formal Agreements: The Memorandum of Understanding was a broad-based agreement that simply created a partnership. It lacked specifics such as to how to execute and assure the objectives of the partnership, and details of the roles and responsibilities of the partners. Furthermore, the agreement should have included possible risk and mitigation tactics to alleviate the anticipated tensions. In the partnership there were ambiguous lines of agreement and communication.
Further action and moving on	Scale: The Luangeni Community perhaps was too small to deliver the impact needed from both the business and the community perspective. If the partnership had included more farming communities like the six identified by surveys in the February 2000 by the Partnership Forum, the model would have allowed for more diversity among small share holder suppliers to greater meet the requirements of Shoprite. Martin recognized in his interview that if he had widened the scope and the capacity building earlier in the Partnership it would have led for a greater scale to reach critical mass.
Overall	Weak Monitoring and Evaluation: There was an overall lack of monitoring and evaluation throughout the Partnership, which meant that problems went unsolved and objectives had to be altered.

The Partnership Broker Role: a partnership broker is an individual or organization that brings partners together and helps them through the Partnership Cycle. It is the broker’s responsibility to be aware of new developments and use the most appropriate tools to build a partnership that can keep focus amongst all parties. The broker is responsible for the navigation of the partnership. As a good captain, a broker anticipates bad weather and tries to find an alternative route. In the Luangeni Partnership, members of the Partnership Forum played a broker role. Martin Kalungu-Banda initiated the idea and made the case to the potential partners. He energized and enthused the partners about the possibility of building a relationship between big business and small shareholder farmers. His groundbreaking work was followed by support from Dr. Kawwanga Yambayamba. Both brokers were new to this way of working and, while they clearly did their best to support the Luangeni Partnership, they lacked adequate time and resources to give it the consistency and on the ground support it required.

Engagement and incentives

Our central finding from the life cycle analysis was that engagement of nearly all partners except the Community fell off after the start of the Luangeni Partnership, particularly for Shoprite. This became particularly apparent during the maintenance phase when engagement is central to success. Partner engagement crucially depends upon each partner having clear incentives for working with other - over and above a common goal. In reviewing the issue of engagement in relation to the partnership cycle again we discovered that weak incentives were manifested from the start of the Partnership and impacted the performance and potential of the Partnerships' work.

The partnership lifecycle highlighted the problems encountered and at what stage they emerged. Assessing the partnership performance needed a deeper study as to why during the implementation stage engagement significantly decreased.

5.2.3 Building Partnerships for Development (BPD) Partnership Performance Assessment Tool

BPD (2007) elaborates on the idea of a dynamic context determines the scope and direction of a partnership. This context can be framed around three interlocking concepts:

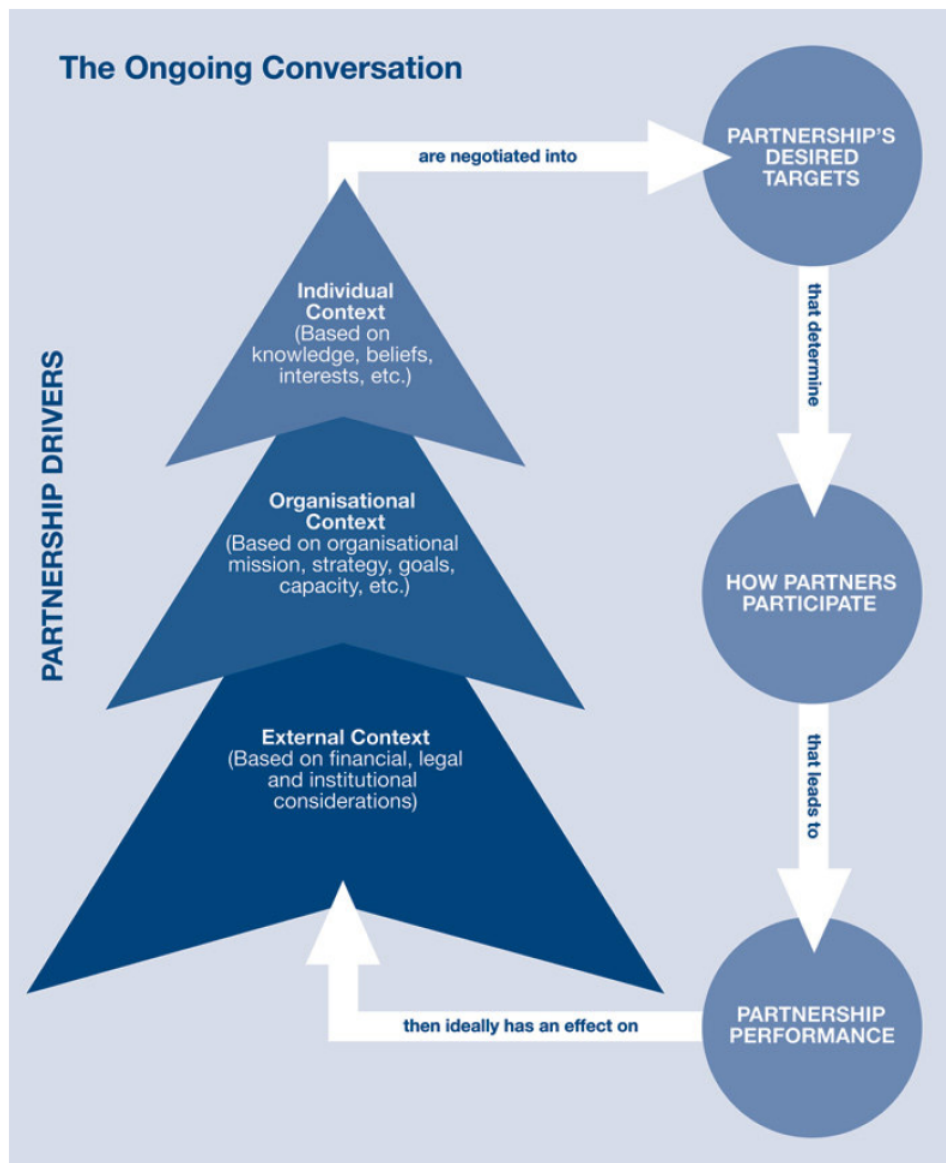
1. The external environment (as reflected in financial, legal and institutional considerations) that shapes the scope and ambition of the partnership.
2. The organizational environment (as reflected in each partner's scope, mission, strategy and capacity) that dictates the resources the partners put on the table,

- their analysis of the opportunity presented, and the level of risk they are willing to undertake.
3. The individual partner representative's incentives and disincentives to engage (influenced by their own knowledge, beliefs, interests, position, accountabilities, etc.) that dictates the attention and value that they place on the partnership.

*"The context determines what drivers partners to get involved in the first place ... These drivers are then negotiated between the parties into desired targets reflected by proposed outputs, outcomes and impacts ... Negotiated targets are then reflected in resource commitments made by each partner and contributions towards decision-making ... If all partners are actively and effectively meeting their resource commitments and contributing to decision-making, the partnership can thereby be deemed as effective as possible. A partnership will by definition **not** be successful if the drivers for partners to participate are not sufficiently met as this may result in unilateral decisions by one partner to alter its engagement." (Caplan et al, 2007)*

The figure below shows the incentives originated from the external, the organization environment and especially highlights assessing incentives.

Figure 5-2: Framework for Unpacking Partnership Drivers



Source: Caplan, K, Gomme, J., Mugabi, J. & Stott, L. *Assessing Partnership Performance: Understanding the drivers for success*, BPD, London, 2007

Incentives define the motivation for potential partners to work together in a partnership. The initiative of the Luangeni Partnership was to realize an inclusive business model. All acting partners were highly incentivized to make this work. Shoprite was motivated to join the partnership to mitigate the rancor of the community and nothing more. Phase two illustrates a decrease in Shoprite's incentives. The researchers sought to explore more in depth why such a drastic decrease from phase one to phase two.

5.2.4 Tool for Measuring Incentives

As previously stated, during the maintenance phase the level of engagement from Shoprite decreased. Thus, the first step undertaken by the researchers was to further evaluate the level of engagement in the beginning of the partnership. The idea is to break down the obtained results of this evaluation into incentives that justified the partner's behavior. For this assessment, the researchers used the tool proposed by Stott and Keatman (2005) in their paper entitled Community Engagement in Partnership; it customized the tool for the Luangeni Partnership. This tool sought to investigate partners incentives to engage with the community. "These scales demonstrate a progression from concern with core internal organizational activities of a short-term nature to deeper and more external social investment over the medium-term and, finally, to wider engagement in strong and committed societal connections of a long-term nature." (Stott and Keatman 2005).

Criteria for assigning value

“Reasons for businesses to engage in partnership with the community

- 0- fulfils no need
- 1- creates good will or promotes better image or profile
- 2- spurs innovation in product development
- 3- enhances revenue collection or creates new markets
- 4- ensures security and social license to operate
- 5- fulfils contractual compliance needs

Reasons for the public sector to engage in partnership with the community

- 0- fulfils no need
- 1- creates good will or promotes better image e.g. for electoral purposes
- 2- helps provide extra funding and resources for services
- 3- ensures wider service coverage and reduces tensions
- 4- enhances security through social inclusion and public support
- 5- fulfils service provision gaps and reduces dependency on government

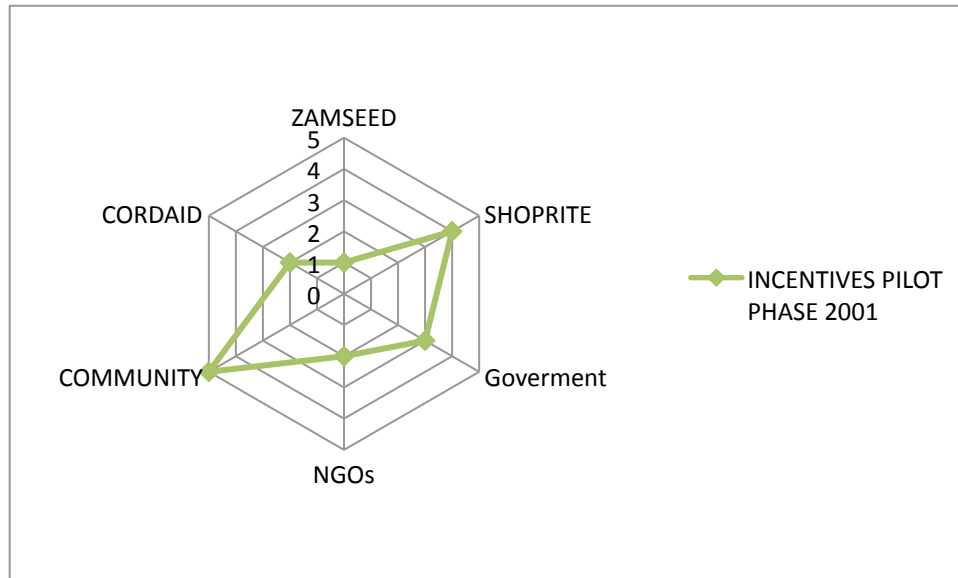
Reasons for NGOs to engage in partnership with the community

- 0- fulfils no need
- 1- creates good will or promotes better image or profile
- 2- improves resource leverage or decreases reliance on donor funding
- 3- improves long-term prospects and sustainability of projects and programs
- 4- empowers through capacity-building and skills provision
- 5- mainstreams marginalized groups and builds social capital

Reasons for community to participate in a partnership

- 0 - fulfils no need
- 1- Receive tangible inputs
- 2- improves employment opportunities
- 3- develop empowerment capacity building/training
- 4- create new markets/opportunities and business relationships
- 5- improve quality of life/institutionalize” (Stott and Keatman 2005p: 3)

Figure 5-3:Partners’ Level of Engagement



The tool illustrated a relatively high level of engagement for Shoprite and the Luangeni Community and a moderate level of commitment from the other partners at the initiation of the partnership. Therefore, the tool does explain why the partnership failed to maintain the partners for the realization of including the community in Shoprite’s supply chain.

The possibility to break down incentives and the relationship to engagement needed further investigation. There are incentives for each player to get involved with each other in order to get an expected benefit. Thus the partnership is composed by a series of bilateral relationships among all the players. It is important to highlight the discrepancies amongst motivation and incentives, as it is a precursor for the success of the partnership.

The table below illustrates the bilateral relationships within the partnership and explains the expected benefits of each partner as well as their contribution to the partnership. The table seeks to highlight and answer the question: “what’s in it for

me?” This matrix assesses both the positive and negative aspects of each partner working with each other. It highlights the motivations of each partner and the expected benefits of various actors coming together in order to create shared value. By analyzing each relationship we can determine the self-interest of each player in collaboration with other partners. The researchers have brainstormed the possible incentives and disincentives each player had for being involved in the partnership. Incentives are located on the upper right corner of the matrix while disincentives are located on the lower left corner.

Table 5-5: Bilateral Incentives for Working Together in the Luangeni Partnership

Once the bilateral relationships were mapped out, the group examined the self-interest for both players in the context of their bilateral relationship. Through group discussion a value from one to five was assigned to each incentive and disincentive for each partner to work with the other. The numbers correlate with the following descriptions:

Table 5-6: Scale for evaluation of Incentives/Disincentives

Scale	Description
0	No incentives/disincentives
1	Low incentives/ disincentives
2	Low-Moderate incentives/ disincentives
3	Moderate incentives/ disincentives
4	Moderate-High incentives/ disincentives
5	High incentives/disincentives

Once the self-interest is evaluated for each partner, the numbers are added and divided by two to give an average value to each bi-lateral relationship. This score speaks to the strength of each relationship. The green (strong) and red (weak) boxes indicate the nature of the bilateral relationships. The outcome is a series of scores for every relationship.

Table 5-7: Bilateral Relationships' Scores

	Community	Shoprite	ZAMSEED	Government	NGOs / Donors
Community		4,5	3	3,5	4,5
Shoprite	-2,5		1,0	1,5	1,0
ZAMSEED	-0,5	-		0,5	2,5
Government	-	-	-		1,5
NGOs / Donors	-0,5	-	-	-	

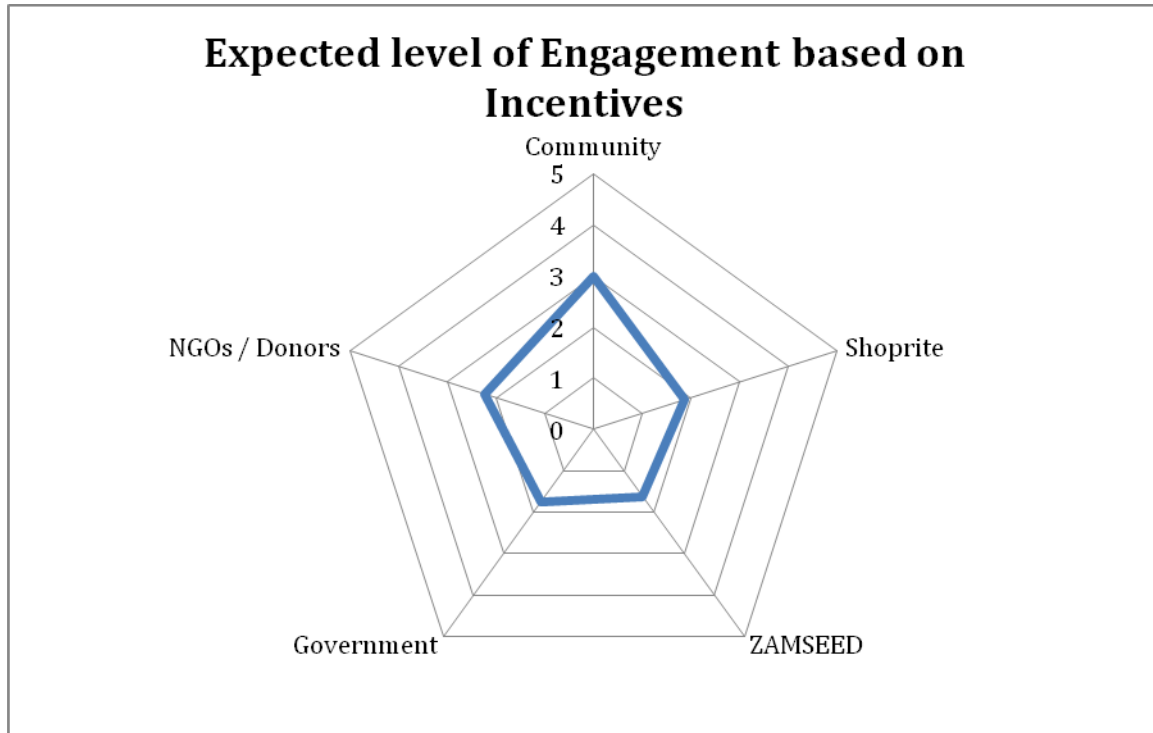
The next step is to get a sum of incentives and disincentives for each partner and then divide this number by the number of partners. This gives us an average that expresses the overall incentive of each partner within the partnership. The diagram weighs both the incentives as well as the disincentives.

Table 5-8: Level of Engagement based on Incentives for Bilateral Relationships

	Positive	Negative	Final Score
Community	3,875	-0,875	3,0 ↑
Shoprite	2,0	-0,125	1,875
ZAMSEED	1,75	-0,125	1,625
Government	1,75	0	1,75
NGOs / Donors	2,375	-0,125	2,25

The final result is a series of scores that are intended to reflect the level of engagement of each player depending on expected shared value it will get from being part of the partnership. The community had the highest incentives and their engagement is reflected in their score. This score can then be put into a spider diagram, below, that shows the expected shared value (incentive) for each player. This allows us to infer on the level of engagement each player will have in the partnership. This analysis directly speaks to the success and impact of the partnership.

Figure 5-4: Expected Level of Engagement based on Bilateral Incentives



The results from just Stott and Keatman’s incentive tool do not adequately tell the whole story. It reflects the concept and notion of the partnership but does not clarify how the partnership will unfold based on the hypothesis that once incentives are met the level of engagement decreases. The only strong bi lateral relationships were those held with the community, not the intertwined web of relationships that partnerships need.

It is clear that none of the partners had high incentives to work with each other only to build a bilateral relationship with the community. In the Luangeni Case, this predicted success of the partnership was reinforced by the disincentives that existed between Shoprite and the community. There were no ties to keep Shoprite engaged; the outcomes and outputs were not beneficial in the eyes of Shoprite. The objective was never realized in the external context. Shoprite did not institutionalize the partnership’s objective to include the small shareholder farmers into their value chain.

Traditional old economic theory, where Shoprite acts out of economic self interest is the primary motivator and director of incentives for Shoprite. The incentive to join the partnership was to mitigate tension. By simply signing the memorandum of understanding Shoprite's incentive was met and therefore engagement diminished as a result. The objectives of the partnership only speak to the benefits of the community. The idea of mutual benefits delivered through inclusive business was largely ignored and was redirected towards capacity building. Shoprite had short term incentives to the partnership that did not align with the other partners. Shoprite weakly contributed in kind resources testifying to their lack of incentives and unwillingness to take on more risk. BPD (ibid), "negotiated targets are reflected in resource commitments made by each partner and contribution towards decision-making".

Incentives for Shoprite did not go up the corporate ladder, incentives came from one store and one regional manager whom in which was eager to participate to mitigate the potential threat of one of his stores burning down and of course capitalize on its participation for the brands commitment to corporate governance and their pride of so called "Community upliftment (that) remains a priority to Shoprite and ...its active involvement in dozens of community projects," which according to their website "Shoprite has been able to positively shape the lives of many Zambian's." However, during the implementation and functioning of the Luangeni Project deliverables and responsibility were passed onto non-engaged actors such as Freshmark and Shoprite's operational managers. Shoprite as a whole was never committed - it was the Regional Manager who was committed; the values of the partnership model failed to be institutionalized in the core values of Shoprite. Their failure to participate in the training and up hold their end of the commitment exemplifies their misplacement amongst the other partners. When community started to deliver vegetables that did

not comply with the quality and quantity in a timely manner, Shoprite wrote them off as unreliable and engagement went down.

Incentives must be known, weighted and trusted in order to establish a partnership. The brokers however lacked the time to be on **site** and investigate **partners'** incentives and work towards strategic alignment. During the second phase the scaling up, all objectives aimed to maximize the community's benefit. The redirection of the partnership was not based on open lines of dialogue and communication that realigned partner's incentives. The fragile construction of unaligned and weak incentives led to a lack of accountability, failure to share risks and imbalanced resources commitments that undermined most importantly Shoprite's engagement but also illustrated ZAMSEED's significant decrease in incentives during phase two when competition from other seed companies threatened ZAMSEED personal interest and incentives and therefore their level of engagement decreased. Involving partners with the highest incentives will help to contextualize the partnership, motivation for several partners were acting in self interest and never saw the full potential for collaboration.

5.3 Summary of Findings

1. Despite some positive social and economic results for the community, Luageni failed on integrating smallholders to Shoprite's value chain.
2. Preparation and start up phases presented good results within Luageni's lifecycle. During the maintenance phase main problems arose.
3. Assessing partnership's development process, it was founded that dynamic drivers (or incentives) for players varied substantially during partnership's lifecycle.
4. Partners' level of engagement was pushed down by the weakening incentives. Mainly Shoprite did not participate actively in the Luageni Partnership, in spite of its critical role.

5. Other partners had no relevant interest to work with each other only with the community.
6. When problems emerged in the relationship with community, there were no strong mechanisms or commitments tying up players to the role they agreed on.
7. Shoprite do not appear to have institutionalized the concept of the partnership. This inclusive business model failed, as well as one attempt to replicate it in another region of Zambia.
8. The end of the partnership has characteristics of a philanthropic project rather than an inclusive business model. Shoprite offered a venue for community to sell its production, but the involvement between these two main actors remained limited.

The researchers did not want to tell a story about the Luangeni Partnership; we wanted to make a case that the objective of the partnership acted in the name of sustainable development but the partnership unfolded in a manner that inhibited its success. As BPD makes clear, there is a clear correlation between incentives and engagement for the success of a partnership. Our analysis showed that, according to the phases of development identified by Stott and Keatman (2005: 2), the Luangeni Partnership stopped short. The partnership agreed on the goals and the objectives but the incentives for each partner were not adequately assessed. There was also no evaluation and monitoring system in place to see if stakeholders were involved and communication was limited. The discrepancy among incentives and engagement has led the researchers to believe the Luangeni Partnership was in reality more of a project than a Partnership in which the roles and interest of all relevant stakeholders are well defined and understood. If the partnership had been perhaps been initiated under the heading inclusive business it would have had a concrete understanding as to the mission of including small shareholder farmers.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

1.

- Business as usual cannot be sustained.

Weak business models in which different sectors are acting on their own account are widespread. The manipulation of resources and wealth to maximize short-term monetary gains for self-interest will reinforce poverty. Businesses need to expand their horizons to envision a multidimensional business world that works to gain long term societal, environmental as well as economic stability and gains. Developing countries should no longer stand outside the modern business ecosystem but must infiltrated into economic models to sustain desirable quality of life in a balance among inseparable ecological, social and economic dimensions. Business as usual needs to be changed so that businesses consider the impact and influence of their sector. If businesses are going to partake in a partnership, their business model needs to be at the core of the partnership.

2.

- Private sectors are engaging more in a collaborative efforts with other sectors

A growing number of private companies are aware of the need to engage strategically with stakeholders in order to support poverty reduction, social welfare, and environmental sustainability. Businesses can play a hand in decreasing income gaps. “We choose to recognize the private sector as equal partners around key development issues... The private sector is a key driver of innovation, ... we encourage the private sector to commit to an ever increasing role in and responsibility for international development...”(<http://www.sida.se/Global/Nyheter/Bilateral%20Donor's%20stateme>

[nt.pdf](#), accessed on June 12)

Communities in developing countries should no longer stand outside the modern business ecosystem but must infiltrate into economic models that also balance environmental and social dimensions.

3.

- New models are arising to fight for sustainability. Partnerships is one of these models, but care must be taken in its institutionalization.

New models that use alliances between governments, private sector and communities for establishing inclusive business models offer possibilities for building the capacity for learning and adaptation, community empowerment and new market opportunities that will create sources of employment within the community in a sustainable manner.

Partnerships are clearly not the only way forward and other bilateral options are important to consider. However, if partnerships are utilized they must at the start carefully investigate and balance the instrumental incentives of all parties involved. Partnerships will perform best when incentives align to work towards a common goal that cannot be realized by any one bilateral relationship but needs the collaborative effort. If businesses are going to partake in a partnership, their business model therefore needs to be at the core of the partnership. The broker of the partnership should help guide and navigate lines of communication to ensure incentives and engagements are acting synergistically. The success of the partnership is measured by the degree in which it is institutionalized.

4.

- Incentives must be known and weighted for partnership success

The Luangeni Partnership's contribution to local economic, social and environmental development is difficult to fully assess in black and white, in the absence of quantified information researchers are left with a gray area of unanswered questions as to the sustainable impact of partnerships. The partnership model however offers a new way of doing things from traditional development mechanism and therefore is positive. Partnerships must be built upon the assurance and reliability of partners; incentives must be weighted and evaluated to determine the projected engagement levels of Partners, supported by transparent open Communications.

- 
- No one - way is the right way, but inclusive business models with partnerships that support companies to change "business as usual" can offer a positive model for sustainability

Society as a whole cannot prove empirically that any one avenue such as partnerships or inclusive business for development is or is not indefinitely sustainable forever. The partnership phenomenon is complex and subject to sudden quantum changes; however we can systemize and reinforce the key components for a successful partnership. Development of interconnected societal sectors depends upon people whom in which are motivated to maximize their personal gains and minimize their personal losses in social interactions. The partnership model perhaps is not as resilient as the more institutionalized change offered by fully inclusive business models. However, inclusive business models that encompass elements of a partnership to change "business as usual" can create a system that builds the capacity for learning and adaptation within society's ecosystem and offer a more binding commitment to development.

Appendix 1: Current Crisis and Economic Growth

Box 1: The Current Crisis and Economic Growth

In the near-term lies the threat of famine, along with all its attendant humanitarian implications. According to the UN Food and Agriculture Organization (FAO) and the World Food Programme (WFP), crop assessments in six Southern African countries, including Zambia, point to the region facing its worst food crisis since the 1992 drought: provisional figures suggesting that as many as 2.3 million people, i.e. 21% of Zambia's population, will be in need of food relief through March 2003. According to UNICEF, 59% of Zambian children under five were already malnourished in 2000. Projected increases in food prices, the main component (over 50%) of Zambia's consumer price index, and the cost of relief measures are expected to place a heavy burden on public finances.

Source: WTO, 2002

Source: The IDL Group, 2002 p. 7)

Appendix 2: Overall and extreme poverty in Zambian rural and urban areas

Year	Zambia		Rural Poverty		Urban Poverty	
	Overall	Extreme	Overall	Extreme	Overall	Extreme
1991	69.7	58.2	88	80.6	48.6	32.3
1993	73.8	60.6	92.2	83.5	44.9	24.4
1996	69.2	53.2	82.2	68.4	46	27.3
1998	72.9	57.9	83.1	70.9	56	36.2

Source: Quoted in (The IDL Group, 2002 p. 10)

Appendix 3: Characterization of Zambian Agriculture, 1999

Characteristics	Small scale	Emergent	Medium scale	Large scale
Number of farmers	459,000	119,200	25,230	>40
Area per holding (hectares)	0.5-9.0	10-20	20-60	>60
Crops grown	Food crops	Food/Cash crops	Food/Cash crops	Cash crops
Production focus	Subsistence	Commercial/ Subsistence	Commercial/ Subsistence	Commercial

Source: Quoted in (The IDL Group, 2002 p. 12)

Appendix 4: Economic Impact of AIDS in Agriculture

Box 3: Economic Impact of AIDS on Agriculture

The loss of a few workers at the crucial periods of planting and harvesting can significantly reduce the size of the harvest. In countries where food security has been a continuous issue because of drought, any declines in household production can have serious consequences. Additionally, a loss of agricultural labour is likely to cause farmers to switch to less-labour-intensive crops. In many cases this may mean switching from export crops to food crops. Thus, AIDS could affect the production of cash crops as well as food crops.

In a study of 29 agricultural organizations, significant effects of HIV/AIDS were found, including increased absenteeism; an increase in the number of deaths, especially in the management categories; and increased expenditures for both medical costs and terminal benefits.

The reliance on female labour for crucial agricultural tasks such as planting, weeding, and fertilizing crops will result in a fall in agricultural production once the women need to spend more time caring for AIDS patients. The combined effect of drought and AIDS made it difficult for farms to recover from the 1992 drought.

Little evidence of the impact of HIV/AIDS on agricultural production was found by the FAO in 1993. The authors hypothesize that this is due to the fact that the agricultural systems that are most vulnerable to labour supply interruptions are, in Zambia, the systems with the lowest HIV prevalence. In Zambia, the men are responsible for managing the household and marketing agricultural produce; thus their loss affects the cash resources of the household. The major impact of HIV/AIDS on the commercial estate sector in this study was its negative effect on the supply of skilled and educated members of the work force; little effect on production had been felt.

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Appendix 5: Contribution to Total Income by Livelihood Sector

Districts	Contribution to Total Income in Kwacha and Percent of Total									
	Cereals		Cash Crops		Livestock		Other		Total	
	Kwacha	%	Kwacha	%	Kwacha	%	Kwacha	%	Kwacha	%
Kaoma	19341	47.1	4768	11.6	16908	41.2	12	0.0	41029	100
Zambezi	17608	42.7	20585	49.9	3092	7.5	4	0.0	41289	100
Serenje	31892	56.8	4128	7.4	20138	35.9	0	0.0	56158	100
Mansa	23124	46.7	5017	10.1	0	0.0	21386	43.2	49528	100
Mwense	27641	52.5	4331	8.2	0	0.0	20643	39.2	52614	100
Kazungula	30516	43.0	3713	5.2	36735	51.7	35	0.1	71000	100
Mbala	41591	57.4	6433	8.9	0	0.0	24498	33.8	72521	100
Chama	46803	70.9	10758	16.3	8442	12.8	0	0.0	66003	100
Mpulungu	61438	81.3	14122	18.7	0	0.0	0	0.0	75560	100
Kasempa	42922	81.9	9501	18.1	0	0.0	10	0.0	52433	100
Kapirimposhi	47382	67.1	11367	16.1	11854	16.8	0	0.0	70604	100
Sinazongwe	23869	27.9	163	0.2	54713	63.8	6951	8.1	85696	100
Chilubi	19622	30.5	4078	6.3	0	0.0	40719	63.2	64419	100
Chipata	39068	48.9	34161	42.7	6698	8.4	8	0.0	79935	100
Mongu	19790	31.7	850	1.4	41793	66.9	50	0.1	62483	100
Mungwi	65894	72.9	24508	27.1	0	0.0	0	0.0	90403	100
Nyimba	45171	54.4	8419	10.1	29521	35.5	0	0.0	83112	100
Mambwe	24998	29.8	58804	70.2	0	0.0	0	0.0	83802	100

Source: Quoted in (The IDL Group, 2002 p. 40)

Appendix 6: Recommendations for a Successful Partnership

Dear Future Potential Partner,

I am writing you to advise you as to whether or not you should join a partnership. The purpose of this letter is expanding upon the different types of partners and their expected roles, principles and stages of a partnership in order for you to evaluate your potential partner role. There are certain factors in a successful partnership such as shared values, trust, cooperation that must be addressed and understood before you embark on a partnership. First can you keep things on track? Do you communicate in an open dialogue; are you willing to really hear other partners? Because if you don't then please do not even continue reading.

If the partnership does not involve top management and does not include all relevant actors for a jointed strategic vision then the partnership will not be a success. The broker must network partnership possibilities and find argument to incentivize partners. You need to ask are all the right people involved? There is a certain skillset necessary to do some prep work and if you find yourself hesitant or unable to engage in any one process then do not start a partnership.

It is crucial to assimilate. You must be an active listener and understand what is said as well as what is meant. Sharing, whatever you have learnt or whatever you predict, share it, sharing is caring. A broker is usually the necessary middle man to report from partner to partner. The broker leads discussion between potential partners both internally and externally. If you are joining a partnership, again share, share capacity building elements assist partners, provide training if needed, build confidence among partners so that trust will carry the mission efficiently and effectively. Trust is built in a subtle leader, a partner that has the sensitivity and awareness to be open and transparent. Trust again is the deliverance of effective, open and honest communication.

It will take a great deal of coordination and diplomacy to manage and lead effective decision-making. There are to be both negotiation and persuasion to

align interest of partners. If in the planning and reviewing stage you see that incentives are largely uneven, either stop or rethink partner selection or revisit partners to re establish incentives.

You must balance and mentor partners to keep stakeholders focused on the objective. Building relationships is only plausible with trust. Remain flexible, constant monitoring and evaluating may bring light to potential risk and allow you the opportunity to fix. Again, keep the open dialogue. Do not keep risk to yourself communicate and innovate. I urge you to keep detailed evaluating and monitoring logs as each partner should and share interpretations. Go two ways, invite feedback and use it where possible, remain focused on the common vision and definite objectives.

To ensure successful implementation of the partnership you must formalize an agreement that is extremely detailed and avoids unclear, all encompassing jargon. Outline the work plan with targets, time schedules, commitments to roles and responsibilities, allocation of resources the more detailed and solid the agreement the more likely that partners will abide to their commitment. It creates accountability among partners and suggests avenues to handle change, conflict and risk. It will clearly set the timeline and scope as well as a management structure. It should outline reporting requirements as to what, how, when and by and for whom.

You need to keep track of the progress through elaborate monitoring systems.

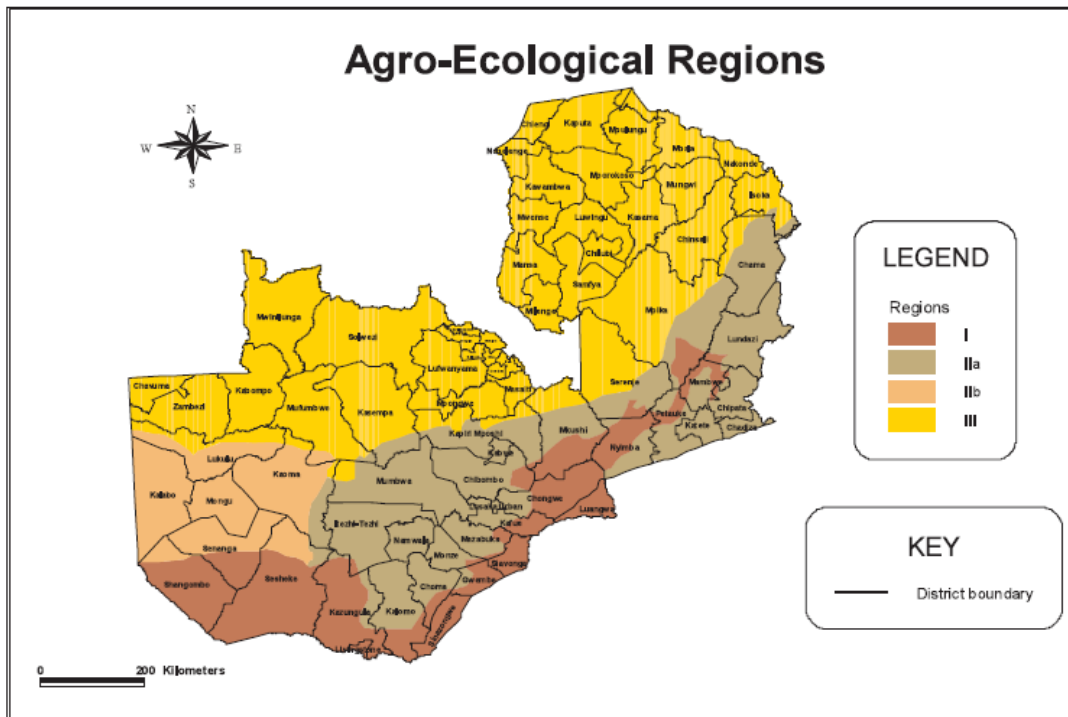
The regular activity records method should be decided upon and kept by partnership management. Reports should cover internal as well as external developments. Meetings to follow up on progress and provide for communication among partners at fixed intervals. Ideally, minutes should be kept. Monitoring will include evaluation. Evaluations should also come at fixed intervals to report on the local and global context of the objective in relationship to sustainable development. The progress made towards the completion of the

activities of the partnership. It should highlight the gains for individual partners. It should be fully transparent in the unexpected positive and negative results. So friend, do you think you could be a partner, do you have what it takes to be open and honest and truly work together. If you find yourself hesitant at any point, communicate, communicate and share your thoughts. I wish you luck on your partnership venture.

Sincerely,

Skeptics

Appendix 7 – Agro-Ecological Regions of Zambia



Source: Compiled by Soil Survey Unit, Mount Makulu Central Research Station

A. Region I

The Region with less than 800 mm of annual rainfall accounts for 12 % of the total land area. The total acreage amounts to 17.3 million hectares, the smallest among the three regions. The region includes: the arid zone covering South Province, East Province, the Gwembe Valley of Central Province, and the semi-arid zone of West and South Provinces. The planting season of crops is short normally in the range of 80-120 days. Accordingly it is suitable for growing such the drought resisting crops as millet, sesame and cotton. With irrigation, however, maize can be cultivated even in dry season. The region is also suitable for raising cattle, while the cultivation of cassava is limited. The valley area along the Zambezi River is lowland, consequently the temperature and humidity are high. Due to the habitat of tsetse flies, cattle raising is not feasible.

B. Region II

The Region is located at the center of the country, and includes Western Province, Central Province and Eastern Province and a part of Northern Province. Total acreage amounts to about 27.4 million hectares, accounting for 42 % of the total national acreage, ranking at the second among the three regions. From the aspect of agricultural uses, the soil appears most fertile. The annual rainfall is 800-1000 mm and no freezing even during the low temperature season. The crop planting period is for 100-140 days. Region II is further divided into II-a and II-b Sub-Regions. The II-a Sub-Region is located in the fertile plateau covering the four provinces of Central, Lusaka, Southern and Eastern, generally with the original fertile soil. There the sedentary agriculture develops, and such various crops as maize, cotton, tobacco, sunflower, soybean, groundnut and wheat by irrigation are planted. The area is also suitable for flowers and vegetable production like paprika. The Sub-Region II-b is included in Western Province, where sandy soil is predominant. The area is suitable for the production of cashew nut, rice, cassava, millet, vegetables, timbers, and livestock production like beef, dairy and poultry.

C. Region III

The Region is one of the highest rainfall areas with the average annual rainfall of 1,000-1,500 mm. The period suitable for crop production is 120-150 days. The region accounts for 46 % of the whole national acreage, and covers Northern Province, Luapula Province, Copperbelt Province, the most part of Northwest Province, and a part of Central Province. Except Copperbelt Province, the soil in the Region is in an advanced stage of leaching and acidification, yet in applying the lime it can be used as farmland. It is suitable for the production of millet, cassava, sorghum, beans and groundnut. Coffee, sugarcane, rice and pineapple are also planted. The stream water without interruption throughout the year can be utilized for small-scale irrigation. Development of freshwater fish and aquaculture are also expected.

Appendix 8 – Negative Trends in Social Indicators for Zambia

Table 1: Negative Trends in Basic Social Indicators in Zambia

Indicators		Year		Year
Formal sector employment (%)	24	1980	10	1990
Growth of Grade 1 enrolment (%)	35	1980-85	4	1985-90
Infant mortality rate (per 1,000 live births)	92	1986	109	1996
Under-five mortality rate (per 1,000 live births)	174	1986	197	1996
Maternal mortality rate (per 1,000 live births)	49	1992	649	1996
Low birth weight (% less than 2,500g)	12	1991	25	1996
Stunted children (%)	39	1991	48	1996
Access to safe water (% of urban population)	50	1991	49	1996
Access to sanitation (% of urban population)	76	1985	66	1990
Coverage by trained personnel of pregnant women (% antenatal)	84	1985	80	1990
Coverage by trained personnel of pregnant women (Deliveries, % live births)	40	1985	32	1990
Life expectancy at birth	51	1980	45	1996
GNP per capita in US \$	500	1964	250	1996
Annual inflation rate	5	1964	100	1991
Per capita calorie availability (in calories)	2,100	1964	Less 2,000	1991
Annual GDP growth rate	3.7	early 70s	1.0	1974-80
Incidence of poverty	60	1974-75	67	1991
Primary school teacher-pupil ratio	47	1990-93	44	1996
Primary school enrolment rate	97	1990-93	93	1996
Primary school male enrolment rate	102	1990-93	98	1996
Primary school female enrolment rate	92	1990-93	87	1996
Gross enrolment ratio (%)	21.3	1990	18.3	1995
Number of crimes reported to police	19,822	1989	44,949	1995
Formal sector employment (%)	27	1975	12	1996
Unemployment (%)	17.8	1986	24.9	1991
Number of doctors	688	1992	594	1995
Number of doctors per 100,000 people	8.4	1992	7	1995
Number of nurses	10,378	1994	6,934	1995
Number of nurses per 100,000 people	119	1994	76	1995
Female headed households (%)	20	1991	24	1996
Urbanisation (%)	42	1996	27	1997

Source: FAO, 1991; GRZ/UNDP, 1996; DHS, 1996; LCMS, 1996; UNDP, 1997; Social Watch Report 1999.

Appendix 9 – Initial Work Plan

WORK PLAN				
FEBRUARY - MAY 2000				
ACTIVITY	BY WHO	WHERE	TIME FRAME	INPUTS
Meeting with Regional Manager, Shoprite	Principal Researcher and Researcher	Lusaka	Early February (1 day)	Transport, fuel, phone
Meeting with NGO's and Government in Chipata	Principal Researcher and Researcher	Chipata	Mid-February (1 day)	Transport, fuel, phone
Meeting with Chipata Shoprite Manager	Principal Researcher and Researcher	Chipata	Mid-February (1 day)	Transport, fuel
Meeting with Luangeni Community	Principal Researcher and Researcher	Luangeni Village, Chipata	Mid-February (1 day)	Transport, fuel
Compilation of data and report writing	Principal Researcher and Researcher	Lusaka	Mid-February to end of February (15 days)	Computer, printer, stationery, binding
Distribution of report to Shoprite, NGO's and ZAMSEED	Principal Researcher and Researcher + Assistant	Lusaka/ Chipata	Early March (5 days)	Transport
Meeting between NGO's, MAFF and Shoprite in Chipata for further talks and planning.	MAFF, LWF, PAM, CMC, VSC, Branch Manager Shoprite, Partnership Forum rep.	Chipata	Early March to Mid-march (1 day)	Transport, phone, stationery
Meeting between NGO's and Partnership Forum to discuss further plans.	MAFF, LWF, PAM, CMC, VSC, Director Agriculture (Partnership Forum)	Chipata	Mid-March (1 day)	Transport, fuel, phone.
Identification of households to be involved in pilot project.	MAFF, LWF, PAM, CMC, VSC, Representatives from Luangeni community.	Chipata	Mid-March (2 days)	Transport, stationery.
Work out schedule for vegetable production including	MAFF, LWF, PAM, CMC, VSC, Partnership Forum rep.,	Chipata	Mid-March (3 days)	Stationery, transport

input requirements.	Community reps.			
Present plan to Shoprite and ZAMSEED.	MAFF, LWF, PAM, CMC, VSC, Partnership Forum.	Chipata/ Lusaka	By end of March (1 day)	Transport
Signing of memorandum of understanding between Partnership Forum, Shoprite, and all parties involved.	Partnership Forum, Shoprite, Government, ZAMSEED and NGO's.	Lusaka/ Chipata	Early April	Transport, fuel, stationery.
Supply of farm inputs to Luangeni.	Shoprite and ZAMSEED through NGO's in Chipata.	Chipata	April	Seed, fertilisers and pesticides.
Commencement of farming activities.	Identified households, with technical help from NGO's and MAFF.	Chipata	April	Technical support
First supply of vegetables to Shoprite	Luangeni community	Chipata	Early July	Transport and technical support

Appendix 10 – Work Plan for the Pilot Phase

ACTIVITY	BY WHO	WHERE	TIME FRAME
Meeting between Partnership Forum and Luangeni partners to discuss program for the year and implementation	Partnership Forum, PAM, MAFF, Eastern Chambers, World Vision, Shoprite, Zamseed, Luangeni community	Chipata	January 2001
First training session: Leadership Dynamics	Experts from MAFF and NGOs	Chipata	February
Second training session: Business Management	Experts from MAFF and NGOs	Chipata	March
Supply of farm inputs to Luangeni	Partnership Forum, Zamseed, MAFF, Expert support	Chipata	February
Third training session: Horticultural Production	Experts from MAFF	Chipata	March
Commencement of farming activities	Luangeni farmers with technical and professional support from NGOs and MAFF	Luangeni	March/ April
Visit to Chipata by Partnership Forum (monitoring) and report	Director, Agric. & Environment	Chipata/ Lusaka	March/ April
Continuous monitoring and providing expert advice	MAFF experts and Zamseed personnel	Luangeni , Chipata	From time of raising nursery (March/April onwards)
Supply of fresh farm produce to Shoprite	Luangeni community with necessary support	Chipata Shoprite	Beginning August/September
Visit to Chipata (monitoring) and report writing	Director, Agric. & Environment	Chipata/ Lusaka	August/September
Overall evaluation of Luangeni project	Partnership Forum	Chipata	December

Source: (Annual Report of the Luangeni Agricultural Project in Chipata, 2002)

Appendix 11 – Work Plan for the Second Phase

Activity	By who	Where	Time frame
Meeting between PF, Luangeni community and other partners to strategize on the reformulated objectives.	PF, Luangeni community, MAC, Shoprite, Zamseed, VSC	Chipata	June/July 2002
Training session	Experts from MAC, NGOs, Shoprite, Zamseed, PF	Chipata	June/July 2002
Supply of farm inputs	PF, MAC, Zamseed, Community	Luangeni village	As per developed farming schedule
Commencement of farming activities	Luangeni farmers	Luangeni	June/July 2002
Training session and field trips	MAC, Shoprite, PF	Chipata/ Eastern Province	August 2002
Monitoring visit by PF	Director Agriculture	Chipata	August 2002
Discussions with Shoprite on viable economic links and development of green market	PF, Luangeni, Shoprite	Chipata, Lusaka	Continuous

Green market begins operating	PF, Shoprite, Luangeni	Chipata	October/ Nov 2002
Supply of fresh vegetables	Luangeni community	Shoprite Chipata	October 2002
Training session + monitoring	MAC, Shoprite, PF	Chipata	October 2002
Training session + monitoring	MAC, Shoprite, PF	Chipata	December 2002
Brief report on progress	PF	Chipata/Lusak a	December 2002

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