



MALI Program:

Market Approaches to Livelihood Improvement

FINAL Performance Report

October 2003-September 2006



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Pact Congo

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Table of Contents

Section No.	Section Name	Page
	Table of Contents	ii
I	Introduction and Executive Summary	1
II	MALI Program Progress Report	6
III	MALI Summary Indicator Data Tables	43
IV	EII :Extractive Industries Initiative	49

I. Introduction

I-1 Background

The Pact Congo Market Approaches to Livelihood Improvement (MALI—Swahili for “wealth”) Project, financed by USAID, implemented activities to forward Strategic Objective 4, Livelihoods Improved in Targeted Areas and for Vulnerable Groups, of the USAID DRC Strategic Plan. The project began in October 2003 and finished in September 2006.

The Goals of MALI Included:

Increase rural household food security and incomes in the Katanga Province through a sustainable livelihoods approach & through leveraging other community and donor resources, by:

- Focused interventions in 5 regions (Lubumbashi and its peri-urban/rural Commune Annexe, Likasi/Mulungwishi, Kolwezi, Kamina/Kabonda Dianda and Kalemie) with varying economic potential (6-8 communities each), with women and laid-off mine workers as primary participants and communities mobilized to take responsibility for their development;
- Integration in the target communities of rehabilitation of community infrastructure, participatory agricultural extension, small and micro enterprise incubation and support, Worth micro savings & literacy for women (and a pilot application for men), and micro finance capacity building; and;
- Creating more virtuous economic circuits to combat a perverse external environment, exemplified by the lack of interpersonal and intercommunal trust, widespread corruption and extortion, and social and economic inequity and environmental degradation as reflected in, for example, the heterogenite artisan-mining sector.

Expected Results of MALI included:

- Agricultural productivity and food security improvement for 3000 households;
- Creation of 300 agriculture-and-related small and micro enterprises (SME's) utilizing appropriate technology for production, transformation and conservation;
- Rural financial service development to target at least 3000 women (Pact's Worth methodology focusing on local savings mobilization/literacy and targeted technical assistance and financing to new and existing regional and local MFIs);
- Improvement of rural communities' access to markets (mobilization, community-led infrastructure rehabilitation and management, ongoing access to market information and action to promote better governance and decreased corruption and extortion);
- Leveraging of other donor and community resources.

I-2 Executive Summary & Report Highlights

Community mobilization (IFESH)

- As a result of MALI activities 38 communities with approximately 93,000 beneficiaries have improved access to markets, market information and are receiving support to improve governance and decrease corruption.
- These 38 targeted communities in Lubumbashi, Likasi, Kolwezi, Kamina-Kabondo Dianda and Kalemie have been mobilized, with a total population of approximately 11,000 households (approximately 93,000 persons) with one or more household level agricultural, SME or Worth intervention in at least 4000 of these households. In addition, 4 communities in Kongolo and 6 communities in the Kilwa- Pweto area have been mobilized.
- Representative development management and conflict resolution committees are functioning in each of the 38 communities in Lubumbashi, Likasi, Kolwezi, Kamina, Kabondo Dianda and Kalemie.
- Training manuals were developed to fight the 5 priority socio economic barriers identified (witchcraft or jealousy, individualism, tribalism, administrative corruption and paternalism) and also to promote a good governance program of community-led initiatives.
- All committees received specific trainings to address key socio-economic barriers to development, in project planning and development, in management, conflict resolution and entrepreneurship
- Thirty six community economic infrastructure rehabilitation projects were identified, prioritised and technically evaluated in communities and 32 projects were completed included the clearing of the Mulungwishi River. In total 126 kilometres of roads, 4 water sources, and 5 markets were constructed or rehabilitated, 9 bridges and 3 fish ponds were also rehabilitated, and also 9 kilometres of the Mulungwishi River were dredged. These projects mobilised 1968 construction workers for temporary employment.
- A corruption or “tracasserie” survey was carried out by IFESH. Seven hundred and six small businesses in 53 communities were the subject of the study. This study found that business operators reported that 13% of their revenues went to informal or illegal extortion by authorities. Recommendations highlighted the importance of communities understanding clearly the legal taxes so they can combat the illegal “tracasserie” and the 13 governance projects included this strategy in relation to taxes as mundane as the ever-present bicycle tax, as well as other priorities such as removing military posts in villages which were extorting villagers.

Agriculture (Pact)

- One thousand six hundred fifty-two (1,652) farmers were involved in innovative technology demonstration in 58 village groups across the project area. These groups tested different innovative technologies to improve soil fertility and crop diversification. During the second year, they chose one or two technologies to test in their own fields. The tests showed an increase in production and yield for farmers who chose to apply *crop rotation* (i.e. peanuts or sweet potatoes followed by maize), *green manure*, particularly with *Mucuna*, and, *intercropping* with *Tephrosia*.

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- During the last two seasons, Pact in collaboration with IITA tested different cassava varieties and participated in their evaluation with the farmers to propose which of them are appropriate for Kolwezi, Lubumbashi or Kalemie.
 - Introduction of animal traction in Mulungwishi (through local NGO CDIM), in Kabondo Dianda (PRECAD NGO) and Kamina (BEDCM NGO), with 23 pairs of oxen equipped and trained for agricultural work and 2 more pairs bought directly by individual farmers in Kamina.
 - Supported farmers interested in agricultural intensification. In Kolwezi within 3 villages, 22 farmers with 2 hectares of maize per farmer were supported as well as 2 community silos were built. The results included for the individual farmers an average production for the 2 hectares of 8.4 tons per farmer, or an average yield of 4.1 tons per hectare.
 - In Kamina, Kabondo Dianda, and Kalemie and in 4 communities in Kongolo (North Katanga), 243 farmers performed seed multiplication activities (peanuts, beans and rice).

Mulungwishi Farm (Pact)

- Pact Congo signed a partnership with Gécamines to manage the farm for development purposes and to create a foundation to provide agricultural education and commercial crop production on the farm after USAID financing of Pact ends.
- Rehabilitation of the farm was finished and the official inauguration organized on March 3, 2005 in the presence of the Katanga Governor and the USAID Mission Director for DRC.
- Production of 55 tons of maize and 4.1 tons of soybean on a total of 47 hectares (ha) in 2006.
- Creation of a citrus orchard (0,84 ha).
- Rehabilitation of 3 fish ponds to promote fish farming.
- Demonstration of tomato greenhouse cultivation during the rainy season.
- Extensive use of the facilities for farmer and other participant training sessions throughout the 3 year life of MALI.

WORTH/Dignité (Pact)

- A total of 5,200 women were supported through Worth/Dignité to create savings and work on literacy skills in village level groups of 20 women each. This number includes 200 women participants in the USAID Displaced Children's & Orphans Fund financed AMKENI project of Pact and 200 women who dropped out of Worth in Lubumbashi but later returned to the program.
- In Kalemie, 402 men were recruited to test the Worth model's impacts on men. This is the first time worldwide that the Worth model has been implemented by and for men. Initial results suggest that for men, the participation was higher than women groups and they were highly motivated in this action. Illiteracy is a problem for men as well as women in the Kalemie area. They understood very well the Worth concepts and responded positively to the structure, generating more regular level and frequency of savings. As Pact selected the Salvation Army to organise this action it is continuing even after the end of direct financing at the the project completion of MALI. Reports continue to be submitted on the participation and level of savings among these men.
- Nineteen NGO partners with sub grantees received continuous liquid financing and technical assistance and training from Pact counsellors and assistant counsellors to support the 242 Worth Groups.

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- Literacy activities: 74 % of women's groups have graduated to the second literacy book "Road to Wealth".
 - Savings at the end of September 2005 reached US\$17,100 and at the end of September 2006 reached US\$ 32,550. This shows a steady 10% growth in savings by groups over time. The average savings per women per month reached 0.30 US \$ at the end of September 2005 and 0.33 US \$ at the end of September 2006. Six hundred seventy five women of the 5200 women reached the target of \$0.55 per month.
 - In addition to literacy, groups received focused training on how to save, women's empowerment, business management, and micro finances.
 - Nine hundred thirty-three women are receiving small loans and 998 women have already begun income generating businesses.
 - The 2nd MIS (Monitoring Information System) data collection system has been completed for all 242 women groups.

SME & KUJENGA UHURU (World Bank/COPIREP¹) linkages

- Twenty two percent (2387) of the 10,400 laid-off Gecamines workers benefited from three different sub-programs of SME support. Three hundred eighty (380) small and micro-enterprises (SME's) were started, including 79 through the Microenterprise Incubation Centers (MIC) which focused on innovative labor intensive appropriate technology, 152 through the matching grant and business training and counselling of KUJENGA UHURU, and 149 through the parallel support of the MALI project, including 64 of which were agro-SME's (intensive cultivation and/or processing).
- Three Microenterprise Incubation Centers (MIC) demonstrating innovative appropriate technology were established in Lubumbashi, Likasi and Kolwezi. The MIC's provided support for 79 SME projects involving 270 persons (entrepreneurs and members of associations) including 231 "partants volontaires" (PV) and 89 women and employing an additional 102 persons
- KUJENGA UHURU supported 5 community projects which included another 1200 ex-Gécamines workers and a large number of other community members.
- The KUJENGA UHURU contract ended on the 20th of June 2006, although small extensions are scheduled to continue through March, 2007 for ongoing support to the final participants.

Microfinance Institution (MFI) Hope DRC (from March 05 to June 06)

- Loan Activity: Total US Dollar value of loans disbursed during the project was \$186,142. During this period, Hope disbursed 2,388 loans to member beneficiaries situated within twenty three community banks in Lubumbashi. Per member, this equates to an average loan of \$77.95 USD and repayments made on loans disbursed, were repaid 100% on time
- Increased Female Access to Financial Services: During the final quarter, of the 2,388 member beneficiaries, 76% were female entrepreneurs.

¹ The "Comité de Pilotage de Restructuration des Entreprises Publiques" is the World Bank's Project Management Unit for the "Projet de Compétitivité et Développement de Secteur Privé" credit of the IBRD to the GDRC which funded a parallel project, KUJENGA UHURU, to reintegrate laid-off Gecamines mine workers. KUJENGA UHURU means "build your own freedom" in Swahili.

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- Access to Reliable Savings: total June 2006 (end of subgrant) member savings totalled \$7,424 USD. Individually, each member beneficiary of HOPE had, on average, \$27.80 USD on balance in his or her HOPE savings account.

At-Risk Vulnerable Populations

- MALI targeted women, laid-off mine workers and people with disabilities as at-risk and vulnerable groups through gender-specific initiatives such as the Worth women's empowerment program, but also through mainstreaming gender and diversity participation in agricultural innovative farmer groups ("Groupements d'agriculteurs innovants"--GAI where 45% of innovative farmers were women), in agricultural intensification (30% of participating farmers were women) and SME activities (28% of persons involved were women). MALI has also directly engaged an estimated 2387 ex-Gécamines employees in SME, Worth and agro-pastoral activities. This included 1200 ex Gécamines who are beneficiaries of 5 community projects (infrastructures, equipments). Mali also supported 120 female ex-Gécamines workers, and wives or widows of ex-Gécamines workers in its Worth program. This total represents 23% of the over 10,400 Gécamines workers who took voluntary packages in 2003. The evaluation report for MALI found that 13.6% of targeted households included a person with a disability. Thirty women with disabilities are involved in Worth activities although this is probably under-representative due to self-reporting and the stigma related to disability.

II. MALI Program Progress Report

II-1 Result 1: Rural Households Supported to Establish and Improve Productive Income Activities.

II-1.1 Intermediate Result 1.1: Agricultural Productivity and Sustainable Resource Utilization Practices Increased.

MALI activities in support of IR 1.1 include:

- 1.1.1 Support subsistence farmers to improve production used for household consumption
- 1.1.2 Support market oriented production to increase trade in high-value crops and improve crop selection.
- 1.1.3 Support improved livestock management and husbandry
- 1.1.4 Increased community capacities to plan for and implement sustainable resource utilization

II-1.1.1 Support subsistence farmers to improve production used for household consumption

To accommodate the agricultural calendar full agricultural extension activities began in September 2004. Prior to the village-level participatory diagnostic process, studies and planning were carried out to lay the ground work for the agricultural program. MALI provided support to farmers for 2 seasons (2004-2005 and 2005-2006). To implement activities in Likasi, Kamina and Kabondo Dianda, GRET, Pact's initial agriculture implementation partner, sub contracted with three local NGO's—Centre de Développement Intégré de Mulungwishi (CDIM) in Mulungwishi, Bureau d'Etude et de Développement Communautaire Méthodiste (BEDCM) in Kamina and Projet Rural d'Education Communautaire et d'Animation pour le Développement (PRECAD) in Kabonda Dianda.

A drought during the 2004-2005 season made production difficult for farmers despite project support. Average yields for maize and beans did, however, increase during this period, while only rice yield dropped. Data from the 2005-2006 agricultural season indicate that MALI's efforts had a sizeable positive impact on the yield of all these products (See table and graph below).

Year 1 activities focused on participatory village-level diagnostic field surveys and data analysis which informed producer group formation, extension activities, and the provision of targeted training, technical assistance and agricultural inputs. The desired goal was to enhance production through improved practices, better inputs, and broader dissemination of innovations and inputs.

Second and third year activities focused on support and follow up of GAI (Innovative Farmer Groups) activities: demonstration of innovative technology in community and individual fields. An assessment of the organizational capacity of the GAI was carried out during the second year of implementation. It found that capacities are very nascent and motivations for working together are not yet sustainable.

In March 2005 Pact suspended GRET's subgrant due to issues of financial management compliance requirements. From that time Pact took over the direct implementation of all agriculture related activities.

Results obtained

Demonstrate and Disseminate Improved Practices

GAI

Under the MALI program, support to subsistence farmers addressed declining soil fertility; seed/input availability and high prices; and poor production techniques. These were the primary barriers identified by farmers themselves in the village-level diagnostic process. Years of monoculture – especially manioc production for subsistence and maize for household use and commercial sale – combined with poor soil management practices have greatly compromised overall agricultural productivity throughout the Katanga Province. Consequently, the MALI team, through demonstration sites and the selection of pilot farmers and extension activities have introduced improved natural resource management technologies to address declining soil fertility. For example, organic material and nutrients were introduced into farming practices through mulching, intercropping, including the use of leguminous and multiple purpose green manure, crop rotation and improved agro-forestry techniques. These techniques increase the soil's humus content thereby enhancing the soil's moisture and nutrient retention capabilities. MALI also demonstrated techniques for lessening the growing dependence on chemical fertilizer that has both economic and environmental consequences by broadly disseminating these techniques for enhancing soil fertility and by targeting application of chemical fertilizer to the soil close to targeted plants rather than applying it to the entire fields.

Government provided farm extension services are virtually non-existent in each of the target regions. While MALI has placed one or more extension agents in each of the target zones, it has also developed sustainable self-help networks, the "Groupements d'agriculteurs innovants" (GAI), at the local level. To this end, MALI has identified progressive farmers in each targeted community and formed pilot farmer groups of thirty members each to establish demonstration sites and provide extension support on the modelled practices, crops, and techniques. Each pilot group selects a 5-person management committee including one individual to serve as the peer trainer for disseminating information on practices and techniques. MALI provides support to this individual through supplemental training in extension techniques and technical assistance. Current plans as this approach is adapted under the USAID and mining sector Extractive Industries Global Development Alliance (EIA) which began in 2006 call for an expansion and deepening of this support network through additional peer trainers (at least two per group) and more intensive training as well as assessment of the potential for the GAI's to become more formalized as producer associations and/or economic and extension farmers' associations. This has required training of MALI's own extension agents (either employed directly by GRET and then Pact or through local partners in Mulungwishi, Kamina and Kabonda Dianda) in supporting demonstration trials and the participatory approach to extension.

Each GAI developed a plan for cultivating a collective demonstration plot and MALI provided the needed inputs and extension support, while also providing a uniform level of inputs for each GAI member to use in a 10 metre by 10 metre personal demonstration plot. The management team, with itinerant visits by the MALI agronomist, assessed alternative

approaches and diffused best practices to all members, encouraging emulation throughout the village.

Support and training of pilot farmer groups was a major activity area. Support was provided to help farmers kick off the crop season initially in the demonstration fields as well as in the pilot farmers' own fields. Seven new technologies were introduced, including: intercropping, crop rotation, agro forestry, short term fallow with crops that rehabilitate soils, greenhouse tomato production in the rainy season, animal traction, and hedges with nitrogen fixing shrubs. Seeds were also provided for most GAI groups for demonstration purposes (maize, beans, soybeans, peanuts, voandzou, crotalaria, cajan pea, Mucuna, Téphrosia, 'niébé' beans.) Sowing, weeding and harvest were followed in all sites and fertilizer spreading in Kolwezi (15 bags of NPK and 15 bags of urea). With systematic data collection it was confirmed that 1,658 innovative farmers participated in MALI. Of these, 47,4% of these farmers were women and 53,6% are men. Where data is available (Lubumbashi and Kolwezi), 50% of women involved in GAI are also involved in the Worth micro-savings and literacy program.

At the end of the second year, the GAI groups reviewed their results and made plans for the next season. Exchange visits and workshops were organized to allow GAI to understand and share results and to plan next season activities. The groups were very successful at increasing yields of the main crops through agricultural innovations (maize; peanuts, beans, soybeans) in the community fields despite drought. The results obtained by GAI are detailed in the table below.

An agricultural organization consultant conducted an assessment of the organizational capacity among the GAI (Groups of Innovative Agriculture). He found a very low level of organizational capacity in nearly all groups. He also found that motivations to work together were based more on taking advantage of an opportunity to have support rather than on significant motivation to work together in an agricultural producers' group.

SMEA (SME specialized in Agriculture)

Agriculture is the number one revenue producing activity in the project area. To improve the production and to help subsistence farmers become commercial farmers, in the 2004-2005 season Pact began support to 88 agricultural SME's (13 in Lubumbashi, 17 in Likasi, 13 in Kolwezi, 19 in Kamina, 14 in Kabondo Dianda and 12 in Kalemie). All participants received business planning training and Pact carried out an evaluation of fertilizer and urea needs to support business planning efforts. Fields were identified, MOU's drafted and signed with SMEA beneficiaries and technical assistance provided (weeding and fertilizer spreading, harvesting and commodity loans).

Given the that 2004-2005 was a drought year it was extremely difficult for many of the SMEA's to be profitable. Some farmers had difficulties reimbursing their commodity loans and were not supported in Year 3. The harvest production was stocked to wait until December 2005 and January 2006 when it was expected that prices would improve (more than 4 times the price at the harvest in June 2005). To sustain the improved production, a second commodity loan proportional to the amount reimbursed at previous harvest was provided in October 2005 to 77 SMEA (before Year 2 production was sold) to begin Year 3 production. As in the previous year they received support and agronomists followed up their activities during the season. The results obtained by the SMEA's are detailed in the table below.

Intensification

To help farmers to increase their production, yields and incomes, Pact chose to begin intensification of crops production with an input loan: selected seeds and fertilizers provided are reimbursed at harvest. In Kolwezi, 22 farmers realised 44.7 hectares (ha.) of maize. In Kalemie, Kamina, Kabondo Dianda and Kongolo, the same work was organised with 243 farmers. Due to the lack of fertilizers availability and use in these areas, Pact chose to provide “ready to sow” seeds from local markets (maize, peanuts, soybeans, beans and rice) and to promote seed multiplication. With the reimbursement, they will be able to buy inputs for the next season. In Kolwezi, to allow farmers to obtain a better price on the market especially where farmers grow maize, Pact supported the construction of community storage silos in two villages.

Agronomists followed up and supported intensification of maize in Kolwezi with 22 farmers. At the harvest, the average production per farmer was 8.4 tonnes and the average yield was 4.1 tonnes per hectare.

Results obtained through support to farmers (both GAI and SMEA)

crops	Year	Group concerned	Average production per household (t)	Yield (t per ha)
maize	2003-2004	Baseline	0.63	0.99
	2004-2005	GAI community field	0.48 ²	1.12
		SMEA	1.38	1.64
	2005-2006	GAI community field	- ³	2.59
		GAI individual field		2.72
		SMEA	2.5	2.93
	intensification	8.4	4.1 ⁴	
bean	2003-2004	Baseline	0.08	0.19
	2004-2005	GAI community field	0.07 ⁵	0.30
	2005-2006	GAI community field	- ⁶	0.41
		GAI individual field		0.45
Rice	2003-2004	Baseline	0.92	1.02
	2004-2005	GAI community field	0.02 ⁷	0.45
	2005-2006	SMEA	12.05 ⁸	4.40
		intensification	0.96	2.10

² Results obtained by survey from FY 05 evaluation

³ Results not available, due to financial constraints the MALI final survey was not carried out

⁴ Some farmers obtained 6 t per ha in Kolwezi

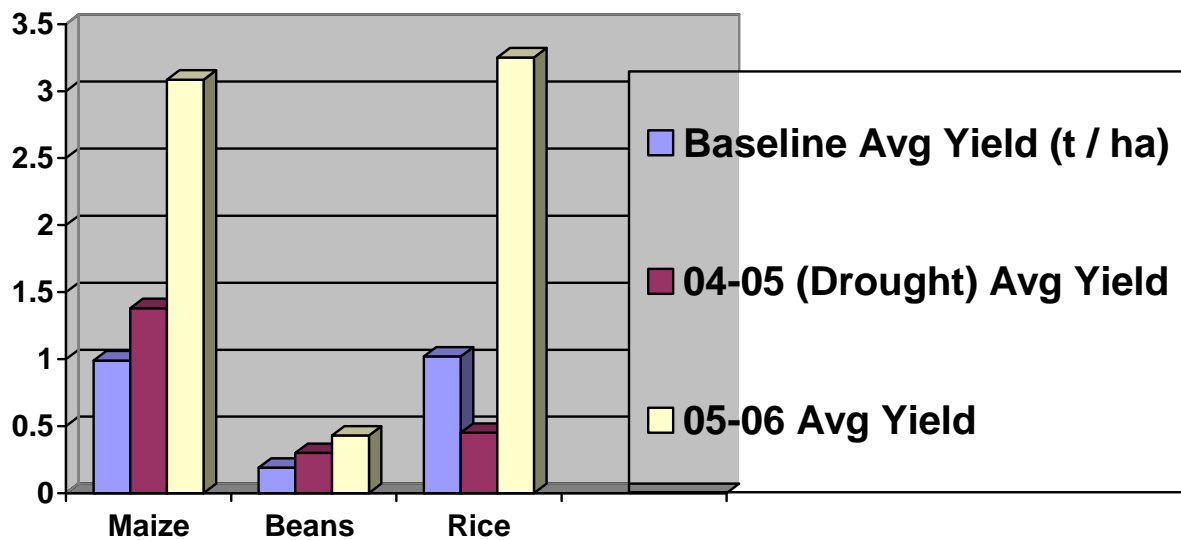
⁵ Results obtained by survey from FY 05 evaluation

⁶ Results not available, due to financial constraints the MALI final evaluation was not organized

⁷ Results obtained by survey from FY 05 evaluation, with serious drought in Kalemie, rice suffered from lack of rain and harvest was disastrous

⁸ This result is very exceptional with one farmer reaching a yield of more than 9 t per ha.

Summary graph of average yields obtained over the life of MALI by 1,714 GAI, intensification and SMEA farmers.



Increased availability of production inputs

Input suppliers and seed multiplication

To facilitate access to agricultural supplies, GRET worked to identify and provide support to specialized “agricultural input” support service providers (fertilizer, veterinary, crop and vegetable seeds, pesticides, etc.) in project sites. Five were identified one each in Mulungwishi, Likasi, Lubumbashi, Kolwezi and 1 veterinary supplier in Kamina (to support animal traction results). Three vegetable seed suppliers in Lubumbashi, Likasi and Mulungwishi were provided in-kind credit of seeds—reducing the price in local markets by 40%. They received training in business planning and financial and administrative management. Veterinary inputs were provided in Kamina and Kabondo Dianda through the local partners for animal traction (BDCM and PRECAD). Pact’s agricultural team, with help from the financial team, organised a training with three agricultural input suppliers to improve their capacity and to carry out a financial audit.

At the same time, seed-multiplication of leguminous plants was organized in Kolwezi, Kalemie, Kamina and Kabondo Dianda (peanuts, beans, *niebe* beans and soybeans). Seeds were provided and sowed in fields with the objective of providing a good seed source for the next season, this being an important limiting factor for many farmers. Unfortunately, the drought from mid January to March 2005 severely reduced production for all crops except peanuts. At the end of the rainy season, some GAI in Kalemie organized multiplication fields to obtain seeds for next planting season (maize and beans). This activity was implemented again during the 2005-2006 rainy season through intensification in North Katanga with the objective to produce “ready to sow” seeds for the local market (maize, peanuts, soybeans, beans and rice) and promote seed multiplication. As the rainy season was good, the results obtained were also good. As MALI finished in September 2006, agronomists were not able to evaluate the quality of the “ready to sow” seeds produced by these GAI’s.

To increase coverage and enable diffusion of leguminous shrubs (*Cajanus cajan*, *Tephrosia*) and green manure (*Mucuna*, *Crotalaria*) seeds, some GAI organised

community multiplication plots. This continued in each GAI group during 2005-2006, leading to increased diffusion of improved practises in farmers' fields.

IITA cassava varieties

New mosaic resistant varieties of cassava were introduced as a short term crop to answer farmers' demand for short term cassava varieties. In collaboration with IITA (International Institute of Tropical Agriculture) 18 varieties were introduced (through cuttings) in Katebi, Kebumba and Nsango near Kolwezi. Sixteen varieties were introduced (seeds for nurseries) in Lubumbashi and in Kalemie with MALI supervision. The different varieties were monitored in demonstration fields and experimental blocs to analyse the results of each variety (adaptation, yield, disease resistance) and then compared with 6 local varieties.

A total of 108 farmers were trained in how to provide healthy cuttings, how to install and manage a multiplication field, nurseries to grow cassava from seeds. Support and follow up were provided to these farmers, participatory evaluation of vegetative growth, disease resistance and production were carried out. The best varieties will be selected and introduced to farmers who have already received training in planting and multiplying cuttings. These varieties provide for better growth than the local varieties.

Main results: extrapolated yield (tonnes per hectare)

VARIETES	Lubumbashi	Kalemie	Kolwezi	Average
0139	25	-	-	25
NSANSI	12	31.3	13	18.8
BUTAMU	6	26.6	10	14.2
ZIZILA	17	12.6	17	15.5
MVUAZI	12	28.6	-	20.3
DISANKA	6.9	18.6	13	9.5
LOCAL VARIETIES KAKOKO WILALANGA MWANT KASANG	17	25.6	12	18.2
Average per area	13.7	23.8	13.25	16.9

After participative evaluation of vegetative growth, disease resistance and production, farmers chose some varieties to be propagated and the best of these will be used in the IITA project to start in 2007 : in order of priority, in Lubumbashi, 0139, Zizila, Mvuazi and Nsansi; in Kalemie, 0139, Nsansi, Disanka and Butamu and in Kolwezi, Zizila, Nsansi and Disanka.

Difficulties Encountered in Program Implementation

GAI, SMEA, Intensification

- As assessed by the consultant, the GAI's have a low level of organization and little cohesion. The motivation to participate in GAI was to receive support rather than to become a producer organisation. In Kabondo-Dianda, this situation led to a delay in sowing because farmers began activities in their own fields before working on GAI fields. In Lubumbashi, one group dropped participation because they wanted

support for intensification with commodity loans instead of innovative technologies support.

- Poor production, yield and results for all agricultural activities in 2004-2005 agricultural season was due to a lack of rain (nearly 25 % less than normal). It made it difficult for farmers to see differences between traditional practices and innovative technologies supported by MALI.
- Demand for support and technical assistance exceeded the ability of MALI to provide extension support, mainly due to budget constraints. For example during the 2005-2006 season, the agro pastoral team was not able to implement activities planned with farmers at the end of the previous rainy season. Instead of supporting 1 ha for individual fields, farmers received seeds for only 1 or 2 “Ares” (an Are is 1/100 of a hectare)
- For leguminous shrubs, despite good results on production, farmers have difficulty transporting the biomass of Tithonia to their fields and this plant is very intrusive. For Mucuna, despite good results and its ease of use, farmers had difficulties getting seeds for the following season. Even in multiplication plots, the production of seeds was low. In Kolwezi, Tephrosia and Cajanus do not produce the foliage needed to provide enough green manure.
- Crop association with 3 or more crops provided poor results especially for the smallest crops (beans and peanuts) which suffer from competition.
- In SMEA fields, all crops were sown at too low density (maize, beans, peanuts, soybeans).
- Attacks of cercosporiosis on peanut fields in Kamina and Kabondo Dianda in SMEA and intensification fields.
- In Kolwezi, some fields of SMEA’s were flooded in 2004-2005 (this was due to the location of some fields near rivers which flooded after some heavy rain, despite the overall drought conditions for this harvest season) and in for the GAI’s in 2005-2006.
- Farmers were sometimes not very committed to their agricultural activities. They preferred to give priority to other activities which provided more certain incomes. As a consequence, activities in their fields were delayed, especially weeding. This led to lower production and yield. This concerned particularly the Gecamines PV’s supported by both the MALI and KUJENGA UHURU projects. The same problem was observed for the effective use of fertilizer.
- It was difficult to establish values to be reimbursed for agricultural input loans. Farmers sometimes ‘cheated’ or under-reported on harvest yields to justify reimbursing less on these loans.
- High demand from farmers in all areas for intensification program not satisfied due to budget restrictions in 2005-2006 season.

Inputs suppliers

- In Lubumbashi, MALI did not establish a clear linkage between the supported input suppliers and the target villages in the Commune Annexe.

- No real organisation exists or could be created to enable suppliers to buy inputs from Zambia or South Africa. Purchasing quality inputs at reasonable prices is still very difficult for suppliers due to corruption and extortion at the border and the price of transport.

II-1.1.2 Support Market-oriented production to increase trade in high-value crops and improve crop selection

The Katanga province has the potential to be the “breadbasket” of the DRC and a major exporter of high value crops both within Congo and regionally. MALI activities in support of increasing high-value crops and improving crop selection were based on market analyses linking production to end markets. Activities in support of this intermediate result focused on expanding commercial cereal farming, fruit and vegetable production, and specialty crops to a strong regional market.

Results obtained

GRET and later, Pact, activities focused on promoting the use of tomato greenhouses, flood plain rice production and fruit nursery development.

Tomato greenhouse

During the first year of implementation the project chose to pilot greenhouse tomato production by model farmers as a means to increase trade in high value crops through an extension of the growing season into the rainy season by producers who already knew tomato production and marketing. This approach was tested at Mulungwishi Farm, Kolwezi and Lubumbashi. Greenhouse cultivation of tomatoes has the potential to generate significant increases in income for seasonal growers throughout the Katanga, as it will extend the growing season into the rainy season when tomatoes are scarce in the local market.

A total of 6 greenhouses have been built (4 in Lubumbashi, and one each in Kolwezi and Mulungwishi). In each area the project supervised construction, development of tomato nurseries and transplanting tomatoes to greenhouses.

In Mulungwishi, a total of 1,144 kilos were harvested on 120 square meters. Production is divided in different varieties:

- Caraĩbe, on 40 m², harvest of 500 kilos with an average weight per fruit of 80 g
- Rodade, on 40 m², harvest of 313 kilos with an average weight per fruit of 100 g
- Roma, on 40 m², harvest of 331 kilos with an average weight per fruit of 50 g

In comparison, the fields of tomatoes outside the greenhouse during the rainy season produced only 60 kilos per 100 square metres before plants were infested by diseases and production stopped. These first results demonstrate the potential impact of greenhouse tomato production during the rainy season. Yield was increased by 1,588% across all 3 varieties. In Lubumbashi, the late sowing delayed the harvest, which just began at the end of the last quarter. The production reached 960kg in 2,88 Are for Rodade variety. In Lubumbashi, the yield increase was 555% despite diseases and insects attacks.

Tomato greenhouse production in 2004 – 2005

Localisation	Acreage	Production	Yield (t per hectare)
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MULUNGWISHI	2 Ares	1144 Kg	57.2
LUBUMBASHI	5 Ares	960 Kg	19.2
TOTAL	7 ares	2104 Kg	30.1

Fruit trees nursery

In Mulungwishi, 64 papaya tree plants transplanted during the last quarter have good growth. They began their production in September 2006. Two hundred twenty (220) lemon tree plants were transplanted to an orchard of 0.84 ha and are awaiting grafting with lemon, orange, tangerine and grapefruit trees. In Kolwezi and Mulungwishi, demonstrations of composting for gardening crops and nurseries (villages of Luilu, Katebi et Misamba and in Mulungwishi farm) were carried out.

Difficulties Encountered in Program Implementation

- It took considerable time to find an appropriate plastic film for the greenhouses. The first trials were with plastic film that was too rigid, raising fears that it might break easily. Even with the better plastic found for the 2004-2005 season, plastic covers tore on greenhouses in Mulungwishi and Lubumbashi. This seems to be due to the low incline of the roof and large distances between roof trusses.
- For 2005-2006, Pact was not able to find suitable plastic covers in time. The only plastic covers found locally were not waterproof and too dark for greenhouses.
- Difficulties in growing tomatoes in greenhouses in Lubumbashi was also due to the development of diseases and insect attacks.
- Grafting for citrus trees was not realised due to difficulties to find proper cuttings and a technician specialized in grafting in time (beginning of rainy season)

II-1.1.3. Support improved livestock management and husbandry

Livestock numbers have declined dramatically over the last decade in Katanga province. One of the longer-term goals for MALI is the better integration of livestock into household economies, as a reserve, source of income generation, and, most importantly, as a means of boosting production through animal traction.

Results obtained

First year activities included general training in animal care, with a special focus on animal traction and the care of oxen. MALI established two demonstration sites for animal traction at Mulungwishi and Kamina. GRET led the activities in animal traction. Farmers were trained in October and November 2004. A total of 23 pairs of oxen were equipped and trained for animal traction agriculture and 60 people have been trained in their use. They were also trained in business planning to improve their capacities in enterprise development and help them to become competitive entrepreneurs in their areas.

Pact worked directly on the development of two animal traction training and support centers in Kamina and Mulungwishi. A sub-agreement was signed with UMCOR Kamina for construction of the training center in Kamina. In Kamina, UMCOR built the training center and official inauguration was organized on 18th February 2006.

In Mulungwishi, Kamina and Kabondo Dianda, trained farmers used animal traction to plow their fields: average surface area was 3,5 ha. in Mulungwishi, 1 ha in Kamina and 0,6 ha in Kabondo Dianda. A total of 42,5 ha was worked by individual farmers with animal traction for the first season. In 2005-2006, CDIM at Mulungwishi worked on 7 ha to produce 22.2 tonnes of maize with an average yield of 3.1 t/ha. In Kamina, 10 farmers grow 14.66 ha of peanuts to produce 14.51 tonnes, average yield was 0.99 t/ha without fertilizers.

During the dry season, the team concentrated on monitoring of feeding, cattle watering, controlled burn of pasture to increase food availability, treatment to rid the cattle of internal, external and digestive parasites, beginning of ploughing in Kamina and Kabondo-Dianda, purchase of 3 oxen to replace those which died of illness or snake bites, re-training old pairs and training new animals.

Difficulties Encountered in Program Implementation

- Trypanosome infection has proved to be a hindrance in Kamina, as some of the animals were infected. Other problems included difficulty in working out financing issues in the field, land conflicts leading the team to change village selection and insufficient peanut seed supplies in one area. Additionally the delay in receiving equipment from a Zimbabwean supplier and clearing customs slowed down implementation. During the two crops seasons, four animals died from diseases or snake bites and were replaced.
- Difficulties related to getting duty free entry of certain equipment and transport problems led to serious delays in forwarding animal traction activities. In Kamina, the late arrival of animal traction equipment and some incomplete equipment led to ploughing difficulties due to heavy rains in December 2004. The delay of cattle breeding (providing heifer for breeding) was because the Pact Agropastoral Team wanted to see how the farmers would take care of their oxen during the dry season before beginning cattle breeding (specifically, how they would manage feeding, veterinary care). Also, for the first season, not all oxen pairs were adequately equipped. After evaluation of the animals at the end of the dry season, the budget did not allow the Agropastoral Team to buy a heifer to promote breeding.
- In Kamina, for animal care, farmers had difficulties applying treatment against external parasites after the breakdown of their sprayer.

II-1.1.4. Increase communities' capacity to plan and implement sustainable resource utilization

Results obtained

Many of the activities implemented under the agriculture program integrated better natural resource management (NRM) practices, such as the use of green manure, intercropping, etc. MALI consulted with Pact's Regional NRM advisor from Pact Kenya to identify ways to blend an integrated NRM approach into the livelihoods work being undertaken by MALI. Through its program, the agro pastoral team ordered two studies: water and fishing study in Lualaba (Kolwezi), and environmental impact evaluation of the exploitation of forests in Kolwezi.

NRM

A consultant specialized in NRM activities, Anthony Kariuki from Pact Kenya, came to support the assessment of conditions for the integration of natural resources management in Mulungwishi, Kolwezi and Kalemie. The key production/livelihood systems identified in Katanga are:

- fishing,
- crop farming,
- charcoal burning,
- limited livestock production (goats, chicken, pigs).

He also identified some opportunities for integration:

- in fishing villages, integrate fisheries management, afforestation and eco-tourism (water sport);
- in farming villages, integrate crops and livestock production, soil fertility and erosion management, sustainable use of wood fuel and agro forestry;
- in irrigated farming, integrate surface water management, water catchment conservation and river bank protection.

Pact staff, agronomists, local coordinators and some University of Lubumbashi Agronomy (UNILU) faculty received specialized training in NRM planning and implementation activities.. This training included “learning by doing” to develop tools adapted to the project area. Initial work was done to help communities begin to develop a ‘vision’ of how best to manage their natural resources as a whole. After training in spatial and temporal analysis for NRM, Agropastoral Teams applied NRM diagnostic tools in targeted areas: 1 in Lubumbashi, 3 in Likasi, 4 in Kolwezi, 3 in Kalemie and 4 in Kamina. To implement this diagnostic, community work groups were organised and an analysis of the environment was carried out with adapted tools. At the end, each agronomist drafted an environmental analysis report with the results obtained with temporal and spatial tools. Fourteen reports were drafted.

List of villages and number of people involved in NRM assessment process.

Project areas	Village	Villagers involved in NRM identification
LUBUMBASHI	Mapongo	20
LIKASI / MULUNGWISHI	Dikula Lukunki Mulungwishi	63
KOLWEZI	Misamba Musompo Nganga	60
KALEMIE	Kamangu Mutakuya Mama Kasanga	60
KAMINA / KABONDO-DIANDA	Mwey Kakoma Kibubi Fukuy	60
TOTAL	14	263

Mulungwishi River:

IFESH and agro pastoral coordinators organized the community mobilization for the clearing of the Mulungwishi River. During this community mobilization, ongoing maintenance activities were also identified to maintain the river in good condition after MALI's initial investment in subsequent years.

For the clearing of Mulungwishi River, IFESH and agro pastoral coordinators organised an inventory of neighbouring farms. IFESH continued the community mobilization process around the river in Mulungwishi, and completed trainings for the committees of Dikula and Likunki. IFESH assisted UNILU to complete the mapping of the river area to facilitate the topographical study and in preparation of the clearing activities. IFESH accompanied the UNILU team to conduct the topographical study to evaluate the volume of the material to be removed from the river (67,500 m³) and necessary actions for the clearing activities to start. IFESH hired an engineer who was assigned to supervise the clearing project.

IFESH finalized the technical documents for the clearing project. The clearing project was split into 3 separate projects to ensure that the villages involved in the projects were better able to manage the work. The projects are 11-070 Curage Likunki, 11-071 Curage Dikula, and 11-072 Curage Mununu and three project contracts for the three villages were drawn up and signed. A total of 9 km. of river were dredged. Results included re-accessing land by local farmers along the full 9 km. which was cleared and the elimination of river flooding as the major contributor to the deterioration of the national highway which had been completely blocked during rainy seasons due to this flooding.

Difficulties Encountered in Program Implementation

MALI Program budget was unable to support full integration of the sustainable natural resources management model.

II-1.2 Intermediate Result 1.2: Other Non-Agricultural and Non-NRM Productive Income Activities Increased.

Results obtained

GRET facilitated the donation of a cassava flour grinder to the project by IITA. The grinder was set up in the Lubumbashi Microenterprise Incubation Center. Demonstrations of flour production using fresh cassava tubers and introduction of the utilization of cassava flour into bakery operations (bread, donut and pastry production) have been carried out. Fifty women from Worth groups participated in the demonstrations in Lubumbashi. In general cassava flour can make up to 20% of breads, 50% of donuts and 100% for some pastries

A business plan was developed to help SME's to run the machine profitably. Pact will continue to work to create a demand for the product through demonstrations at the Incubation Center. To improve the use of the cassava grinder, Pact organised a training with a technician from IITA with cassava producers to use the machine in real conditions in a village.

In Lubumbashi, Likasi and Kolwezi, 79 individuals or collective projects began their incubation. Due to a lack of time before the end of the KUJENGA UHURU program in June, 2006 some SME's began their incubation after already moving to their business location. For all SME's from the first group in Lubumbashi, the SME team established a final report to analyze their profitability. (see results 1.3.). A final report and evaluation of economical profitability were drafted for each SME created.

Difficulties Encountered in Program Implementation

- Lack of entrepreneurial spirit after years of Gecamines employment.
- MALI budget did not allow for a hoped for replication in other Incubation Centers and a focused attempt to demonstrate commercial manioc milling in all five regions of MALI intervention.

II-1.3 Lessons Learned--Proposed Actions to Address Implementation of Result 1 for a future program

General

- Agricultural development support projects in a country like the DRC need to carefully fit the planned scope of activities to fit within budget constraints as demands are great and there are many unknown and dynamic factors which can affect costs and timelines for supporting adaptation. In addition, all inputs need to be carefully procured to be available, including the clearing of customs and allowing sufficient time for USAID waivers if needed, precisely when needed to conform to the "agricultural calendar."

Subsistence farmers

- After results obtained with the different groups (GAI, SMEA, Intensification), Pact concludes that the integration of green manure and commodity loans to provide improve seeds and some fertilizers can have a great impact on yields and income for farmers. To sustain, improve and disseminate these results and increase the size of commercial level farms, people or traders need to be identified that can provide seeds (even for green manure plants) and fertilizers in quantity and quality.
- To sustain this kind of action, a project has to insure support and follow up for the management of community storage silos. In a minimum of 3 years, the project has demonstrated that in-kind input loans for the first and second seasons and assistance to farmers to organise selling of their harvest at better prices (usually between December and February) can increase profits. The project has to assist farmers at this time to evaluate their needs for next season to buy seeds and fertilizers through an MFI or other credit institution and promote savings of this amount until August before planting begins.

Greenhouse and orchard

- While the business potential for rainy season tomato cultivation is huge, there is a need to develop new more technologically appropriate models of low-cost greenhouses that can be produced locally (e.g. stick and straw) or to find other sources of suitable plastic sheeting to promote greenhouse production in rainy season. This would include a re-design of the construction for the greenhouse to resolve the problems of plastic covers tearing and adapting them to the height of different varieties of tomatoes.
- As noticed during the MALI project, fruit tree propagation need more than a 2 or 3 year project timeline to see significant results.

Animal traction

- At the beginning of action, equip each pair of oxen with one plough, one harrow and one cultivator.
- The project needs to improve integration of its actions to support beneficiaries to have access to agricultural inputs that will allow them to synchronize inputs with their increased capacity to cultivate more acreage.
- Identify local blacksmith and repairman to insure maintenance and small repairs of equipment and train them to fix worn parts. At the same time, identify in-country manufacturer to produce animal traction tools as well as animal-drawn carts.

NRM

- To realise NRM activities, Pact will have to improve agro pastoral team capacities in NRM and prioritize this action at the beginning of its program to insure a good integration of NRM activities with other livelihood activities.
- As NRM activities need a special budget, Pact has to improve its budget planning per objective and result to complete each result, or narrow the scope to fit within budget constraints.

Non NRM, Non agricultural activities

- Pact needs to be cautious in its choice of beneficiaries. Not everyone can become a good entrepreneur. The main factor for success is the will to become an entrepreneur as well as experience starting an activity (commercial, agriculture, transformation).

II-2 Result 2: Rural Access to Markets Created or Improved.

While the first result area deals with boosting production at the household level, this result area focuses on improving or creating access to markets thereby enabling producers to benefit from increased production. There were three intermediate results areas under result 2:

- 2.1. Market information collected and used for decision-making by communities and individuals
- 2.2. Rural market access infrastructures rehabilitated
- 2.3. Economic governance improved

Activities under result 2 were designed to create the enabling conditions for increased trade, including dissemination of market information permitting producers to make informed choices, improved infrastructure enabling physical access to markets, and a marked decrease in informal taxes, forced payments and other corrupt practices stifling market development by increasing opportunity costs.

As a result of MALI activities 38 communities with some 86,627 beneficiaries have improved access to markets, market information and are receiving support to improve governance and decrease corruption.

II-2.1 Intermediate Result 2.1: Market Information Collected and Used for Decision-Making by Communities and Individuals.

Results obtained

Assessments and MVCLA (market value chain livelihoods analysis).

Throughout the project, the MALI team (IFESH, Pact and GRET staff) conducted a number of assessments in each of the six locations: Lubumbashi, Mulungwishi, Kolwezi, Kamina, Kabondo Dianda, Kalemie and Kongolo, These assessments clearly articulate the livelihoods assets and vulnerabilities individuals, households and communities possess, and the economic, social and political context shaping their approach to livelihoods..

The MALI team used the market value chain analysis to identify market opportunities for agricultural transformation and the design of specialized kits, permitting tailored out of the box enterprises so that unemployed individuals could become small-scale entrepreneurs and rural producers could become processors and add value to their production.

Community mobilization

The aim of the community mobilization process was to inform the communities about the MALI project and to organize the community around the development activities being implemented in their village by creating a permanent community-owned and democratic structure that could act as a reference point in the community.

The mobilization process begins with a meeting with local authorities to discuss the project and its objectives, and to ask for their assistance in meeting with the community. The second step of the process is to hold a general assembly meeting with the village to discuss the project objectives, and obtain general information on income generating activities present in the village and the issues villagers confront in practicing these activities. The third step is to hold a meeting with the community to identify community priorities in infrastructure rehabilitation for the village. This prioritization was completed by the village and was followed up by a technical assessment of the priorities by IFESH's engineers and capacity building staff.

Once the assessment of the priorities was finished, IFESH held a final meeting (restitution) with the community to identify which infrastructure project was selected for rehabilitation and to organize the community into two committees: the community development committee and the conflict resolution committee. Both committees are elected by the village. The Community Development Committee included other members of the population who are participating in other sectors of the MALI project (agriculture, WORTH, PME, etc.). This committee acted as a point of contact for information dissemination about project activities, to oversee the management of the rehabilitation project, and to plan and implement activities for their community's development. The Conflict Resolution Committee was present to resolve conflicts that might arise within the community. Both committees received training.

As a result of the community mobilization process, nearly 6000 people participated in the general assembly meetings. Community Development Committees and Conflict Resolution Committees were created in each of the 38 communities.

Capacity Building

IFESH provided training to three groups in the communities. These trainings were: program management for the Community Development Committees; conflict resolution for the Conflict Resolution Committee; and Entrepreneurship Training for the construction teams used in the rehabilitation projects. The trainings were designed to be used by the community committees to help them overcome conflicts or concerns about management that may impede the successful implementation of development projects such as the rehabilitation work, or other activities implemented by the MALI project.

The training modules were developed by IFESH under funding from the 'Local Capacity Building and Rehabilitation Initiative' funded by USAID from 2001-2003. Each training consisted of five modules, and was delivered to the committees over five separate sessions.

IFESH trained 38 community development committees and conflict resolution committees, for a total of 760 people trained in project management and conflict resolution. In addition, IFESH trained 32 construction teams in entrepreneurship, for **a total of 1968 people trained.**

Difficulties Encountered

- Difficulties to schedule an update of the first market value chain analysis. No reliable local statistics available to update data in the analysis.

II.2.2 Intermediate Result 2.2: Rural Market Access Infrastructure Sustainably Rehabilitated.

Results obtained

IFESH's rehabilitation work for the MALI project was two fold: first, providing support to the agropastoral component and second, supporting community rehabilitation initiatives.

IFESH supported the agropastoral sector by completing an assessment of the rehabilitation of the Mulungwishi Farm in January 2004. This assessment became the basis for the rehabilitation work that was completed by Pact. In addition, IFESH assisted the agricultural intensification activities in Kolwezi by designing and creating a plan for the community silo's built by Pact for stocking the agricultural production. Finally, IFESH designed and implemented the rehabilitation of three fishponds at the Mulungwishi Farm, in collaboration with the local NGO, CDIM.

Including the fishpond rehabilitation at the Mulungwishi Farm, IFESH completed a total of 32 rehabilitation projects with community support. The community projects were managed by the Community Development Committees with oversight from the Conflict Resolution Committees. All projects required a community contribution, which was mobilized by the population with the help of the Community Development Committees. The contribution was in-kind, and included tools, gravel, sand, rocks, and other items found locally. The community's investment in the rehabilitation project is a key part of the activity, and work does not begin until the community has collected its contribution. Construction teams were recruited locally by the Community Development Committee, though in some instances the project supervisors were brought in from other communities because of the lack of requisite construction experience in certain villages.

In all, the rehabilitation projects improved market access for 86,627 beneficiaries, and created 1968 temporary jobs for villagers, including 190 women. A summary of the rehabilitation projects completed are:

Project	Number
Roads	126 kilometres rehabilitated
Markets	5 constructed/rehabilitated
Bridges	9 constructed/rehabilitated
Fishponds	3 rehabilitated
Mulungwishi River	9 kilometres dredged and cleaned

Difficulties Encountered in Program Implementation

- The main difficulty was a kind of competition between different MALI activities: the same people were involved in subsistence farmer support, community mobilization and rehabilitation or construction of infrastructures, especially when micro-dynamics in the region affected labor supply. This occurred in late 2005 when hundreds of dispersed artisan miners arrived in the Mulungwishi communities from Tenke Fungurme and other concessions as they were constrained to leave formal concessions, creating an "heterogenite rush" which stimulated local youth employment in digging, away from farming, created mini-inflation in local markets and began to generate social dislocation and a reported increase of HIV/AIDS.

II.2.3 Intermediate Result 2.3: Economic Governance Improved.

Results obtained

IFESH's work in addressing social and economic barriers to development began with a survey of the MALI communities to identify their concerns regarding this topic. The survey found that the principal concerns for southern Katanga were: traditional beliefs such as sorcery and related jealousy, individualism and lack of community spirit, tribalism, paternalism, and administrative harassment and corruption or "tracasserie".

Based on the results of the survey, IFESH developed a training manual of five modules addressing the identified issues.

IFESH conducted the five sessions with the Community Development Committees and the Conflict Resolution Committees in 24 communities in southern Katanga, which includes the MALI communities in and around Lubumbashi, Likasi-Mulungwishi, and Kolwezi. In total, 480 people were trained.

At the end of the training, communities were asked to develop activities that could address at least one of the topics discussed. However, it was found that most communities had difficulty in formulating clear, concise project ideas that could be translated into a feasible project activity.

In response to this, IFESH adapted an additional training manual, which was earlier developed through IFESH's good governance program, with support from USAID. This training manual contained 10 modules addressing project development for communities.

The training for project planning and development was conducted in the same 24 communities in and around Lubumbashi, Likasi-Mulungwishi, and Kolwezi. A total of 480 people were trained. Once completed, IFESH facilitated the identification and design of the projects to be submitted to IFESH for support.

Due to time constraints in the project calendar, and delays due to the difficulties most communities had in developing these projects, the projects were not able to be implemented under MALI in the time frame given. However, some of the projects have been supported under IFESH's good governance program, in order to continue to support the initiative started by the communities. Not all communities were able to identify their project themes before the end of the project. Projects initiated and supported by IFESH included publicity of legal taxes, advocacy to eliminate the infamous "bicycle" tax, and spontaneous attempts to remove military outposts who were extorting village production and harassing citizens.

In addition to the above activities, IFESH completed a survey on tracasserie, or administrative corruption. The survey was conducted in Lubumbashi, Likasi-Mulungwishi, Kolwezi, Kamina and Kalemie of over 700 small business owners. The survey was an opportunity to identify the perceptions of small businesses regarding tracasserie, and to try and determine what institutions were considered the most responsible for this problem.

The report findings show that 76% of small entrepreneurs have experienced administrative harassment or tracasserie in the last year over tax payments to the government. Of those who experienced tracasserie, only half received a receipt for the tax payments they make to the government. Thirty percent of those surveyed believe the money they pay in taxes is pocketed by state agents, and 37% said they had no idea where this money went. The

small businesses surveyed identified those government services they found to be the worst perpetrators of tracasserie and they include: “Service de l’Environnement et la Conservation de la Nature” and “Service d’Hygiene”. The report also studies the tax code in the Congo and the difficulties that small businesses have in keeping current on tax information.

Difficulties Encountered in Program Implementation

- In the Congo, there are a large number of different kinds of taxes and laws are not easily available, identifying legal taxes versus tracasserie was not easy. This was also reinforced by the farmers idea that they do not have to pay taxes.
- At the same time, unpaid state employees created taxes for anything, just to survive and soldiers clamed “effort de guerre” support, especiall in communities around Kalemie where the war was most present, from farmers in commodities such as maize, cassava, rice, vegetables.

II-2.4 Lessons Learned--Proposed Actions to Address Implementation of Result 2 for a further program

- The power of communities to take responsibility for lobbying and managing development themselves should not be underestimated—with targerted support which does not foster dependency, local communities in the DRC can influence “up” and impact territorial, provincial and national government from the bottom-up.
- Pact and its partners have to better coordinate activities at community level to avoid excess of work for a limited number of innovative/active community members.
- As taxes and “tracasserie” problems are general in DR Congo, Pact should participate in initiatives to promote good governance in its project area.
- Planning for ongoing maintenance and repairs, conceptualized as the responsibility of the community, tends to dissipate into apathy, and ongoing facilitation in the long-term could assist communities in translating plans into concrete programs of financial contributions by community members or users of infrastructure, and the concrete organization of maintenace and repair cooperatives or businesses.

II-3 Result 3: Expanded Rural Financial Access and Business Support Services.

Expanding access to financial services and providing intensive support for the creation and operation of small and micro enterprises is a critical aspect of MALI's interventions in Katanga province. If livelihoods are to be significantly improved then opportunities for the development of diverse small businesses must be opened up to those willing and able to take the risk. Basic rural financial services are also key to supporting village level entrepreneurship.

II-3.1 Intermediate Result 3.1: Business Support Services Developed and Expanded.

MALI sought to achieve the following SME targets:

- MALI sought to achieve the following SME targets through MALI and KUJENGA UHURU leveraged resources: At least 75 new kit-based demonstration business initiated with Gecamines "partants volontaires" (GPV's)
- At least 20 new Supplier businesses organized and at least 10 operational (Pact defined operational as a business entity that generates income that covers fully or partially its expenses—non-operational businesses are those that have no income or expenses and are not functioning)
- At least 200 new intermediate producer/transformer enterprises organized and at least 100 operational
- At least 20 new marketing cooperatives/enterprises organized and at least 10 operational.

The results obtained included start-up and support to 375 micro-enterprises:

- At least 79 new kit-based demonstration business initiated with Gecamines "partants volontaires" (GPV's), of which 76 are operational.
- At least 3 new Supplier businesses (commerce activity) organized, all of whom are operational
- At least 234 new intermediate producer/transformer enterprises organized of which 108 are operational
- At least 59 new marketing cooperatives/enterprises organized of which 27 are operational

Despite serious and almost project-ending difficulties in gaining duty free entry of SME kits for use in the incubation centers MALI achieved important results:

- A total of 375 agriculture-and-related small and micro enterprises have been created with 214 currently operational, involving some 1700 employees and owners.. Key factors in fostering lack of operations have been delays of planned for matching funding by COPIREP and inability to buy inputs at economical prices to compete with imported products either “dumped” (European tomato paste) or illegally imported without customs duties (soap) .
- These businesses received support in business management skills, financial planning and bookkeeping, improved agricultural techniques and/or appropriate technology for production, transformation and conservation.
- Incubation centers have been created and were operational in Lubumbashi (since 2005) and in Kolwezi and Likasi (since March 2006). The Kolwezi and Likasi centers were created in conjunction with the Kujenga Uhuru program supporting laid-off Gecamines workers. After MALI has closed down, the Lubumbashi and Kolwezi MIC’s continue to function under limited ongoing COPIREP and EIA funding.
- Of the total, 79 SME were started from the incubation centers in which a total of 96 appropriate technology SME kits were installed.

MALI activities in support of IR 3.1 included:

- 3.1.1. Install and manage kit-based demonstration businesses for GPVs and provide counseling and training for agricultural suppliers, transformers, and marketing businesses.
- 3.1.2. Facilitate private sector linkages to promote purchase of agricultural products, supply of services/products and social development investment by private companies and parastatals involved in restructuring.

II-3.1.1. Install and manage kit based demonstration businesses for GPVs (also referred to as “Ex-employés de la Gécamines”-EEG), provide counselling and training for agricultural suppliers, transformers and marketing businesses

Results obtained

Incubation center

In December 2004, a total of 18 kits were received and 26 GPV incubated with these kits after business planning, feasibility studies and financial and administrative management trainings. After market value chain analysis and various consultations focused on kit based businesses in June 05, the MALI and COPIREP funded KUJENGA UHURU project (also implemented by Pact) purchased an additional 78 Kits to install in incubation centers in Lubumbashi, Likasi and Kolwez. To study and evaluate the kits, technical staff visited South Africa to see kits in action and have discussions with manufacturers and workers. In January 2006, after six months of delay while duty free entry was arranged, kits were delivered to the three incubation centres. The types of products incubated 23: cold press cooking oil, peanut butter and powder, energy efficient baking ovens and stoves, manioc milling (non fermentation), three types of fencing manufacturing, two types of pressed brick, roof tile, rock crusher, manual concrete mixers, treadle pumps for irrigating low-land areas in the dry season, maize sheller and hamermill, equipment for agricultural works (manual seed planter, seed planter and harvester for tractors, ...), equipment for bakeries, cake production, sausage production, joinery work and metal work.

MALI officially inaugurated the MIC in Lubumbashi on the 4th of March 2005 with the Vice Governor of Katanga and the Assistant Secretary of COPIREP, along with USAID Mission Director and MALI CTO. In Likasi and Kolwezi, incubation began in March 2006 (in conjunction with COPIREP KUJENGA UHURU Project which ended in June 2006). All businesses moved from the incubation centers to their business location by June 2006.

In total 270 persons were involved in the three Incubation Centers. Of those 270, 231 are GPV. And also, of those 270, 89 are women. For each business one or two persons were trained in feasibility analysis and business planning. The SME team hired 8 persons to insure the follow up of GPV run SME's and GPV's identified for incubation: 3 technicians for each incubation centres (one in Lubumbashi, one in Likasi and one in Kolwezi) and 5 local SME counsellors (one in each project area, above regions plus Kalemie and Kamina).

The SME team hired three local consultants, one to build bee hives, one for solar ovens and dryers, and the last one to support SME in their marketing approach. With the increase of agricultural production, the SME team hired an international consultant, Hamish Brebner, to examine the possibility of transforming tomatoes from the significant production around Mulungwishi (estimated at 20 tons of tomatoes per harvest season) into purée, concentrate and also to produce fruit juices, jam, etc. As the price for these kits are prohibitively expensive (more than \$50 000), they were not ordered.

SME created through incubation centres

Incubation center	Individual SME	Collective SME	Gender		GPV Status		SME operational	SME non ⁹ operational	Number of workers (except owners)	Number of kits
			M	W	GPV	Non-GPV				
Lubumbashi	19	12	45	47	79	13	28	3	60	37
Likasi	16	9	86	14	92	8	25	0	35	29
Kolwezi	16	7	50	28	60	18	23	0	7	30
total	51	28	181	89	231	39	76	3	102	96

Linkage with KUJENGA UHURU: section 1: counterpart financing grants

During the project, there were 3 rounds for SME selection in the counterpart financing grants program of KUJENGA UHURU. Through this linkage, the SME team provided support to 129 microenterprises in production, transformation and commerce in Katanga and 20 in Kinshasa and Matadi.. These 149 microenterprises were trained in financial management and received their cash grant from COPIREP to begin or improve their activities. The total of 147 individual and collective projects represents 709 GPV who received training and support to develop their own business activities and 5 community projects which focused directly on communities where GPV's represent a large portion of the population. Pact estimates this reached 1200 GPV.

After selection of 101 individual and collective micro enterprises during the 2nd round, the SME program choose 3 local organizations to implement training: COPEMECO for

⁹ Non-operational is practically defined as an enterprise that has no activity at all. Operational does not necessarily mean profitable, but it does mean that it is an active business with income and is covering its running costs.

“feasibility studies and business planning” and New ISEXCO and SBCD for “financial and administrative management”. SME organised a training of trainers on business planning in May 2005.

After this training, COPEMECO carried out the training and technical assistance to the 88 micro projects in Katanga and the KUJENGA UHURU MALI SME team implemented training and technical assistance for the 20 individual or collective projects in Kinshasa and Matadi areas. All projects finished their technical and financial applications for final selection. Among them, 91 projects have signed their grants agreement with COPIREP and have begun to receive their grants to develop their own business activities. As noted above, small extensions of KUJENGA UHURU by COPIREP provide limited follow-on support through March, 2007.

The 3rd selection process began during the last year with the reception of 660 applications from Lubumbashi, Likasi and Kolwezi. With the end of KUJENGA UHURU Project, the process was stopped and the final selection was not carried out.

KUJENGA UHURU counterpart grant component

Project	Lubumbashi	Likasi	Kolwezi	Kinshasa	Matadi	TOTAL
Individual	45	29	24	10	6	114
Collective	9	10	10	4		33
Community	2	2	1			5
TOTAL	56	41	35			152

MALI funded support to SME:

The MALI SME team supported 19 businesses in Lubumbashi, 21 in Likasi and 20 in Kolwezi. All these SME's received training in business planning and feasibility studies. Among these 60 SME, 49 are SMEA who received support in seeds and fertilizers to begin commercial maize production. (see above results in 1.1.1 paragraph)

The SME team selected 36 SME in Kamina, 36 in Kabondo Dianda and 62 in Kalemie to receive business planning and feasibility analysis training. Among them, 19 in Kamina, 22 in Kabondo Dianda and 20 in Kalemie are SMEA who received support for commercial crop production (maize, peanuts, soybeans, beans) with improved seeds but without fertilizers which are not available or needed in these towns.

A Workshop with SMEA from MALI and KUJENGA UHURU in Lubumbashi was organised to discuss the agricultural season 2005-2006 and update business plans for the different crops.

SME and SMEA supported through MALI (KUJENGA UHURU excluded)

Project area	Supported SME	Supported SMEA
Lubumbashi	1	14
Likasi	4	16
Kolwezi	2	13
Kamina Kabondo Dianda	37	11
Kalemie	41	10
TOTAL	85	64

Difficulties Encountered in Program Implementation

- Administrative, logistical and para-fiscal barriers related to customs clearance significantly slowed down the receipt and use of the kits.
- Given this, Pact needs to reconsider the viability of bringing in kits from outside the country. SME will have even more difficulty and expense in importing kits or replacement parts for existing kits.
- The time needed for businesses to evolve into self-sustaining entities is the main factor in SME support. While Pact saw relative success in producing viable businesses SME's should ideally receive 5 years of gradually decreasing levels of support until they graduate to full independence. Even with this level of support it is likely that, the number of SME going out of business can be significant due to external factors (political, economic, etc.) or by default of the owner.
- It is difficult to evaluate incomes of households especially agricultural households because of the large range of income sources and their timing throughout the year. To properly estimate impacts on household incomes the survey work required would be beyond the scope of the project. To work around this Pact used a proxy variable focused on the range of possessions (bicycles, radios, tools, etc.) to 'indicate' relative income levels. While accurate this variable does not change fast enough to show significant changes over 1-3 year timelines.

Incubation Center

- Trying to determine who were GPV and then finding those individuals proved difficult and slowed down implementation. Finalizing selection of targeted GPV was also slowed by bureaucratic procedures (i.e. involvement of URK, Katanga project management satellite office of COPIREP).
- Low profitability of some kits due to the price of inputs and also daily productivity was lower than expected for some kits.
- The GPV's motivations are, understandably, more focused on just trying to find ways to make money (even salaried positions) rather than sharing the program objective of making them more competitive entrepreneurs.

Linkage with KUJENGA UHURU : section 1: counterpart financing grants

- Lack of a bank in Likasi and Kolwezi caused a delay in delivering first grant instalments to these areas.
- Delay in training of GPV because of overwhelming number of GPV: Three times more than planned in the original agreement between Pact and COPIREP.
- Some GPV were absent during the training on business planning and feasibility analysis due to the short delay between selection the COPIREP selection committee and the schedule beginning of the training.
- Delay in financing SME for the 2nd round because COPIREP was awaiting approval from the World Bank. During this delay, the contract for KUJENGA UHURU (Component 1) expired at the end of July 05. COPIREP extended the contract from May 06 to October 06 to finish training and delivery of grants. During

this extension URK closed in Lubumbashi and the last grants were not able to be delivered to beneficiaries.

MALI SME

- As already discussed there were problems of forwarding SME in the same villages where the MALI Agriculture component was already being implemented.
- Non-agricultural SME under MALI tended to want to wait for financial support to raise capital making it difficult to move forward on business development. This again refers to the lack of entrepreneurship among many of the GPV.

Lessons Learned--Proposed Actions to Address Implementation of Result 3.1.1 for a further program

- The delays in implementation inherent in working in the Congo need to be taken into account to make targets more realistic.
- Linkage of parallel projects, in this case, between USAID and the World Bank, proved to be vital to actual implementation. The SME support of COPIREP followed the payment of severance agreements by 6 to 9 months, which was not ideal, but did allow for an ironic advantage of demonstrating which GPV's has managed to start or sustain a business without timely support. The financing procedures of the Bank to Pact and also to the individual SME projects created huge bottlenecks and, to this day, businesses have not started which had economic potential, and some have failed because of the lack of timely payment. However, the flexibility of WB funding to pay for fertilizers when USAID waivers were delayed, partially balanced out these challenges. USAID MALI funding enabled Pact to order the first batch of kits ahead of WB financing. Both donors attempted unsuccessfully to help with customs clearance and it was only political intervention by the Vice-Governor of Katanga that ultimately freed the second batch of kits along with two vehicles stuck in OFIDA for 6 months.
- Laid-off parastatal workers are not ideal candidates for becoming entrepreneurs, but the flexibility of the integrated MALI/KUJENGA UHURU approach, including COPIREP's flexibility to involve younger family members or wives in entrepreneurial activities, demonstrated very reasonable results.

Centre d'incubation

- As para-fiscal barriers related to customs clearance exist, Pact has to identify kits that need as few inputs from abroad as possible and promote the manufacturing of kits inside DRC (under license from the main producers in southern Africa). This would eliminate many of the barriers noted above and could build on competitive quality and price advantage in local sourcing of appropriate technology.
- Staff training and development in support of SME start-up and support is a critical need. Although the DRC informal sector continues to thrive, the cadre of experienced mentors, coaches and trainers who can effectively recruit, coach, consult and train aspiring business operators is very small and needs to be developed through recruitment, development and mentoring programs.

Linkage with KUJENGA UHURU : section 1: counterpart financing grants

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- As many of difficulties are directly linked with COPIREP procedures, awareness and planning ahead of time for these types of constraints will lower their impact.

MALI

- To improve non agricultural SME, Pact needs to work on access to cash loans through microfinance institutions to help entrepreneurs to build up their capital (destroyed by war and other events in DRC).

II-3.1.2 Facilitate private sector and/or restructuring para-statal linkages to promote supply of agricultural inputs and corporate social development investment

MALI worked to develop 3 key partnerships to leverage development results for the target communities. These include the Mulungwishi farm partnership with Gecamines, the Kujenga Uhuru project funded by COPIREP, and the partnership with Anvil Mining to carry out social development projects which has ultimately ended up in the multi-year Extractive Industries Global Development Alliance (EIA) funded in September, 2006 .

MULUNGWISHI FARM PARTNERSHIP WITH GECAMINES

Gecamines and Pact signed an agreement to jointly develop the 250 hectare farm in February, 2004 and development of the farm has moved ahead with cultivation of at least 47 hectares of commercial and 7 ha of demonstration crops during the last agricultural season (2006). The farm buildings have been rehabilitated to host farmer exchanges, extension meetings and trainings which will support not only the agro-pastoral activities but also SME and Worth components. A guest house has been rehabilitated to accommodate visiting staff as there is no lodging at Mulungwishi. Activities carried out at and which continue to be implemented at the farm include:

- Commercial mechanized cultivation to develop the long-term potential for self-financing of farm demonstration activities;
- Animal traction—commercial demonstration plots of several hectares per product, demonstration of commercialization of animal traction in neighboring villages;
- Greenhouse tomato cultivation to extend the growing season and increase revenues of local tomato farmers during the rainy season;
- Fruit reference nursery to disseminate fruit seedlings to improve nutrition and increase incomes;
- Hosting innovative farmer exchanges among neighboring MALI target villages and also with GAI's from other regions in Katanga;
- Organizing the users of the irrigable section of the farm into an association, granting them year-by-year rights while engaging them in maintenance, reclaiming additional land and other common work to maintain the farm;
- Clearing the Mulungwishi and Lukunki Rivers (dry season 2005) to improve national road access and water flow to four villages downstream while involving local communities to support long-term maintenance;
- Clearing 3 fish ponds on the farm for demonstration of fish farming potential (currently under way through EIA funding);
- Providing a practicum site for the students of the Mulungwishi United Methodist High School agricultural section (which was built with MALI USAID Funds through a sub-grant with UMCOR) to learn and apply practical agricultural extension skills.

Future activities planned for the Mulungwishi Farm

- Restocking 3 fish ponds on the farm for demonstration of fish farming potential;
- Incubating farm-oriented appropriate technology kits for transformation (using the electric supply available through the adjacent rail line of SNCC) of sunflower seeds and other crops for cooking oil, tomato products, peanuts, food and vegetable dryers, treadle pumps and others.
- Providing an innovative demonstration site for the newly formed agricultural section of the neighboring secondary school at Mulungwishi Station associated with the Methodist University of Katanga (UMK) and coordinating with other faculty of UMK to assist in development courses including in information technology, one of UMK's 3 faculties;
- Providing communication and information for farmers and extension agents/activities through sharing internet access via satellite system with UMK.

KUJENGA UHURU PROJECT

Financing by the World Bank's PCDSP project through COPIREP of \$1,8 million of parallel programming in support of the economic reintegration of laid-off Gecamines mine workers. This KUJENGA UHURU project represented a complementary set of activities attempting to reintegrate at least 2000 PV's into economic activity in two years. Both USAID and COPIREP have been supportive of integrating the GPV needs and support activities alongside of other MALI interventions.

ANVIL MINING PARTNERSHIP

Through MALI Pact Congo was able to develop a proposed Global Development Alliance partnership with Anvil Mining Limited to manage their social development activities in Kilwa/Dikilushi (which could have represented a sixth region of Katanga for MALI). Shortly after the Pact-Anvil agreement was signed and as the USAID GDA was moving towards final approval in April, 2005, human rights complicity allegations which have never been proved delayed the implementation of this bi-lateral agreement. Ultimately, Pact after a six month review decided to move ahead in early 2006 and USAID has supported the creation of a multi-company, and potentially multi-donor, GDA with Anvil and two other mining companies, which was funded as the EIA in September, 2006 . This EIA is essentially an evolution of MALI, in some cases such as Kolwezi, working with the same communities, and in other areas, starting livelihoods activity in new regions, with an adaptation of the MALI design.

Results obtained

MULUNGWISHI FARM PARTNERSHIP WITH GECAMINES

After assuming management responsibility for the Farm, Pact organized through CDIM the 120 "exploitants" using the Farm into an association, signed year-by-year use agreements including the users commitment to maintain the farm, clear new land and utilize extension services to improve production.

After rehabilitation works ended, the inauguration of Mulungwishi Farm was organized with Katanga Governor and USAID Mission Director to the RDC on the 3rd of March 05.

To address results in the Mulungwishi Farm partnership with Gécamines, MALI went into partnership with 'Entreprise Ecofam et Ferme Mukaz' to grow crops (Maize, sunflower, beans and peanuts) commercially on Mulungwishi farm. But the contract was broken before the end of the year for non observance of the contract. Pact put the farm management in the hands of "Centre de Développement Intégré de Mulungwishi" (CDIM) to insure commercial cultivation of the farm and to follow up all crops already sown: 16,95 hectares (ha) of maize, 5,5 ha of sunflower, 4,5 ha of beans (D6), 1 ha of cassava, 1,5 ha of soybeans, 1 ha of demonstration (Mucuna, peanuts, crotalaria). All the crops were harvested by CDIM during the 2004-2005 agricultural season. To improve results and insure closer management, supervision and monitoring a manager was hired for Mulungwishi farm by Pact.

Pact is preparing a request for an opinion from USAID on the use of \$9122 in cash income generated by the Farm from agricultural production. All future income from farm revenues generated by the 2006 harvest will be held for future investment in the Foundation.

Before and during this first season, the Agropastoral Team organized different studies : soil analyses, socio economic opportunities for shallow exploitation in Mulungwishi, topographic study of the Mulungwishi River and the farm and fishpond rehabilitation, studies on fish production and feeding in Mulungwishi farm.

For the 2005-2006 season, the work was organized by the farm manager with a subcontract for soil enrichment work. As in the previous year, the sub-contractor did not fulfill his contractual obligations and the contract was canceled. In addition, the tractor broke down leading to a delay in maize and soybean sowing and the canceling of sunflower production as the fields were too wet for work. At the end of the season, 37 ha of maize, and 9.9 ha of soybean were sowed instead of the planned 40 ha of maize, 15 ha of soybean and 10 ha of sunflower. Additional logistical and technical problems (poor quality fertilizer, flooding of the fields, etc.) led to a generally poor harvest. Average yield was 1.49 t per hectare for Maize while soybeans yielded only 0.41 t par hectare.

At the Mulungwishi farm, tomato greenhouses have high growth potential. (see above result 1.2)

IFESH completed the dredging of the Mulungwishi River (see above results 2.2) and the technical documents for the rehabilitation of five fishponds on the Mulungwishi farm, signed an agreement with CDIM for the rehabilitation of the fishponds and work on the rehabilitation (project no. 11-050) was realized in September 2005 (5 fishponds were cleared and 3 were totally rehabilitated). During the same time, the improvement of the irrigation system was organised on Mulungwishi farm.

Under the UMCOR Pact sub-agreement, two classes were constructed for the agricultural section of the Institute Kitataba secondary in Mulungwishi. Twelve students were recruited for this first class in October 2004. Installation of an Internet connection was implemented during September 2004 at Mulungwishi for the Methodist University, of which MALI paid a portion, but it has never technically been finalized to provide access for the Farm.

Time and budget constraints limited MALI's ability to implement some key activities such as fish and vegetable production, small livestock breeding, etc.

KUJENGA UHURU Linkage

See above results in 3.1 paragraphs

ANVIL MALI

A memo of understanding (MOU) was signed between Anvil Mining Congo Limited and Pact on March 3rd, 2005 which would have involved two phases of expansion of MALI activities described as "Anvil MALI." With support and concurrence of USAID DRC, the initial phase was to match \$400,000 of Anvil's social development financing with \$200,000 of existing MALI resources to initiate a sixth region of MALI intervention in the Dikulushi (Kilwa/Pweto) territory, along with integrated activities within the existing MALI intervention areas around Kolwezi. A second phase involved a potential extension of these activities through a USAID Global Development Alliance proposal to match \$1.0 million of Anvil's social development funds with a proposed amount of \$1.0 million from GDA through FY2006. A concept paper along these lines was submitted as well in March 2005 to USAID DRC and USAID GDA which led, after the human rights accusation related suspension, to the current agreements initiated late in 2006 between Anvil and Pact, and subsequently through the EIA, for \$5.8 million of Anvil financing of social development and good governance activities across Dikulushi, Kolwezi and Kinsevere concessions linked with the EIA.

Difficulties Encountered in Program Implementation

MULUNGWISHI FARM PARTNERSHIP WITH GECAMINES

- The main problem for the farm was management and how to rectify Pact (USAID) procedures with the private management of the farm. Also, as the initial cooperative agreements and subsequent extension of MALI were signed at the end of September, it was already too late to organize work for the farm. Planning has to be done in July to order all inputs in August to be sure to begin timely planting by the rainy season.
- Technical problems like equipment breakdown (tractors) and access to accessories, excessive rain flooding some parts of the fields, poor quality seeds or fertilizers led to poor production results. To work around some of these problems the manager hired people to realize work manually. Delay in payment occurred and it was difficult to find workers or they increased their daily fee. Also late sowed (end of December, beginning of January) maize was attacked in March and April by caterpillars who eat the flowers and grains.
- The budget was insufficient to realize all planned activities for the Farm.

KUJENGA UHURU Linkage

- With KUJENGA UHURU, the challenges have included delay in financing counterpart grants to GPV which involved a delay in beginning activities especially agricultural activities which were rescheduled for the next rainy season (2005-2006) delaying results for nearly a year. While the KUJENGA UHURU agreement calls for COPIREP to ensure duty free entry of Kits this was not carried out and despite USAID's efforts as well, Pact had to manage this on its own greatly slowing the process.

Anvil MALI linkage

- Suspension of all activities in ANVIL MALI project area due to local events in Kilwa in October 2004.

Lessons Learned--Proposed Actions to Address Implementation of Result 3.1.1 for a further program

MULUNGWISHI FARM PARTNERSHIP WITH GECAMINES

- As the farm can become a centre to promote diversification and technical improvement for local farmers, Pact has to find a way to manage it better for all demonstrations, exchange and training.
- The main challenge will be to find a good manager and management structure and work out the logistical and technical problems inherent in running a successful commercial farming operation.

KUJENGA UHURU Linkage

- As difficulties are directly linked with COPIREP procedures, Pact has to maintain a constant communication with COPIREP to obtain better results. The linkage in parallel with USAID proved to be an effective strategy for mitigating the challenges of working within both systems in the challenging DRC context.

Anvil MALI linkage

- After time for engagement, explanation and international inquiry about the Kilwa events of October 2004, Anvil signed a new agreement with Pact for the social development program in Dikulushi. Work and data obtained in MALI will be used in the implementation of this program.
- Constructive engagement by USAID and Pact with potential private sector partners has proven worthwhile while due diligence assessments prior to and during collaboration with the private sector have been refined and need to continue to be improved and used by USAID, other donors and implementing partners to assure that risk is understood and managed.

II-3.2 Intermediate Result 3.2: Increased financial capital resources available locally through savings, empowerment, and micro-finance institutional support initiatives.

Results obtained

Worth

The MALI team conducted an analysis of financial services available in the project sites and settled on a strategy of prioritizing the Worth program for promoting women's empowerment through integrating the mobilization of savings into village banks with functional literacy and micro-finance activity. In Year 2 a parallel (but distinct) linkage with a complementary approach led to the provision of micro-credit through Hope MFI.

Worth's implementation has involved:

- Orientation and improvement of 19 women's associations and NGO's to the appreciative and empowerment values of Worth with strengthened capacity to manage liquid sub-grants;

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- In July 2004, Recruitment of 10 NGO's who directly recruited 3200 participants and in February 2006, 9 more NGO's who recruited 2000 more participants;
 - Adaptation (culturally and linguistically) of Worth functional literacy materials into Katanga Kiswahili (1st, 2nd and 3rd literacy books);
 - Intensive training of Worth staff and partner NGO's in the technical approach as well as financial management training, followed by intensive technical assistance and follow-up to assure quality programming and financial management of sub-grants.
 - The development of culturally-sensitive AIDS/HIV materials which could not be disseminated due to budget limitations in the last year of the project.

An extensive process to identify and recruit partners occurred between November, 2003 and July, 2004 and then in a second round between December 2004 and April 2005. This included:

- Key informant interviews with actors in women's empowerment, literacy and micro-savings/credit to identify all potential local NGO's for promotion.
- Two orientation workshops in Lubumbashi and one orientation workshop each in Kolwezi, Likasi, Kamina, Kabondo Dianda and Kalemie to which all potential NGO's were invited.
- Submission of applications by interested NGO's with documentation of their past, current and projected activities, including the recruitment of women to participate in the program.
- Evaluation of applications by a multi-sectoral MALI team representing the community mobilization, agro-pastoral, small and micro-enterprise and Worth sub-programs, as well as acceptance by representative community structures of the NGO's.
- Site visits which focused on program and finance reviews, including interviews with beneficiaries and review of financial reports and procedures.
- Preliminary selection and negotiation of sub-agreements followed by a week long training of senior managers and finance managers from each NGO regarding sub-grant management.
- Program training of one week to assure that each program understood and was prepared to commit to implementing Worth as designed.
- Approval by Pact/MALI of the empowerment workers or "facilitatrices" proposed to be hired by each participating partner.

At the end of this process, 19 new NGO's were chosen with 19 focal persons and 26 female and 4 male facilitators to support around 5200 women and 400 men.

At the end of MALI, Worth is operational in 5 project areas (Lubumbashi, Likasi, Kolwezi, Kalemie and Kamina-Kabondo Dianda) where 5 200 women in 270 groups participated in literacy and savings programs: Lubumbashi, 117 groups (2,367 women), Likasi (35 groups, 820 women), Kolwezi (38 groups, 817 women), Kalemie (30 groups, 600 women) and Kamina and Kabondo Dianda (30 groups, 600 women). Nineteen NGO partners, virtually all of whom had never received a liquid sub-grant previously, are involved with

focal persons and 1 or 2 facilitators each to follow up with these groups. All these facilitators and focal persons received their equipment (bicycle, bag, raincoat and boots). At the same time, in Kalemie, 402 men in 20 groups and 4 male facilitators are involved in the Worth for men program. To implement this program for men, the first in the development of Worth, Pact Congo has adapted all the books since the text uses a “key-word” structure of words with implicit and explicit meanings for the target audiences.

The main supports to the groups, facilitators and focal persons were:

- Organization of literacy tests before distribution of the first book to all the groups (5200 women) in the five project areas. Now, nearly all 200 groups have finished the first book and begun the second one.
- All 5200 women and 400 men have received the first book “Kundi Yetu”. 4000 copies of the second book “Njia Ya Utadjiri” distributed to women.
- Facilitators helped by focal persons and assistant counselors identified and trained 386 volunteers to teach literacy to women in each group. At the end of the program, 70% of women who tested as illiterate at start-up are now able to write and read. That is about 3200 of the women who begin literacy in 2004.
- Monitoring and support to savings activities which resulted in US\$ 32,550 in total savings as of the end of September 2006. The average savings per women per month reached US\$ 0.30 at the end of September 2005 and US \$ 0.33 at the end of September 2006, a 10% increase. However, only 675 (12%) of the 5200 women reached the target of \$0.55 per month. After six months of activity, 33% (132) of the 400 men in the pilot project in Kalemie achieved this target over 6 months.
- Training and support to focal persons and facilitators to organize Management Information System (MIS) which involved systematic data collection of each group.
- Support to secure savings in banks. Thirty five groups have opened accounts to secure their savings in local banks (Trust Merchant Bank): 10 in Lubumbashi and 25 in Kolwezi. Some groups have organised income generating activities to increase their savings (agriculture, small scale livestock breeding, small scale businesses to sell essential items, agricultural product transformation, etc...)
- At the end of the program, women groups began micro credit: 933 women have received a credit to increase their capital investment in income generating activities. Only the women up to date on their savings can receive a loan to be reimbursed in 3 to 6 months at a rate of 2% per month. The main income generating activities include selling of maize or cassava flour, fresh or dry fish, second-hand clothes business, agriculture product transformation (palm oil, cassava cooking, biscuits...), sewing, knitting and rarely investment in bigger activities such as a palm oil field, poultry or small scale livestock breeding. Two hundred seventy (270) management committees were organized and trained for the micro credit activity.
- To reinforce Worth aims and solidarity between women, mobile workshops were organised in all areas, which involved a total of 512 leaders. More than 50 workshops were organised to exchange experiences between leader representatives. For most of these workshops, the women paid for the transport of their leaders and contributed to the expenses for the workshop. Topics selected by the groups included livestock breeding, cooking, women and gender issues HIV/AIDS, health and hygiene, child care, conflict prevention, etc. With the mobile

training, group spirit increased in women groups with a growth of a spirit of solidarity and confidence.

Hope DRC—microfinance

Pact Congo signed a sub-agreement with Hope International to establish MFI activities in Lubumbashi on the March 3, 2005

Utilizing the capacity of HOPE staff, twenty-three community banks have been established through member-driven mobilization in twelve distinct communities residing in six of the seven communes of Lubumbashi, specifically in Commune Kamalondo, Commune Ruashi, Commune Kampemba, Commune Katuba, Commune Annexe and Commune Lubumbashi.

Loan Activity: HOPE provided training and disbursed loans to 2,388 members. Total US Dollar value of loans disbursed during the contract was \$186,142 USD (82,1% was capitalized through HOPE's Rotating Credit Fund, 13,9 % was capitalized through Pact Congo Funding and 4 % was financed by HOPE International). Per member, this equates to an average loan of \$77.95 USD. Repayments made on loans disburse were repaid 100% on time.

Increased Female Access to Financial Services: Of the 2,388 member beneficiaries who received loans from IMF HOPE RDC, 76% (1,823 member beneficiaries) were female entrepreneurs.

Piloting of Agriculture-Related Loan Product: Due to a number of constraints, piloting agriculture-related loan products was not implemented.

Access to Reliable Savings: Member beneficiaries have utilized HOPE's savings component available to them, with total June 2006 member savings totalling \$7,424 USD. Individually, each member beneficiary of HOPE saved, on average, US\$27.80 kept on balance on his or her HOPE savings account.

Difficulties Encountered in Program Implementation

Worth

- The main challenge of this program was the high absenteeism during the rainy season because women often move to temporary villages to work in their fields. Or if Worth activities are organised in temporary villages, women leave it after the harvest to come back to their village which are not necessarily the same for all of them.
- As MALI worked in small villages around towns, the Worth program met difficulties in identifying income generating activities that were not agriculture related. These rural economies are not sufficiently monetized to provide opportunities for these types of activities.
- At the beginning of the program and especially in South Katanga areas, women were waiting to be given money or other resources to implement activities. As some other partners (World Food Program, some church related activities) gave food for literacy in preparation of elections, some Worth groups stopped their activities and began once more when other partners finished their activities.

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- Some groups disappeared after savings were mismanaged or were misappropriated (especially in Lubumbashi).
 - As savings were realised in Congolese Francs and during the program the rate varied from 380 to 500 for one USD, some groups lost money during exchange rate fluctuations. Many groups, however, convert their funds into US dollars to counter this inflation.
 - Staffing has been a challenge both at the Coordinator and Counselor/Assistant Counselor levels.
 - NGO capacity levels in program and financial management have been lower than anticipated. In Lubumbashi and Likasi, local NGO's have a wait and see attitude which stem from disinterest by the local NGO manager and lead to less involvement of focal persons and facilitators in their work.
 - Language use may require some creative adaptation of Worth materials as the Kiswahili spoken in South Katanga and used in the Worth manuals is not as sophisticated as the "Bora" Kiswahili from Tanzania or even North Katanga.

Hope

- At the beginning of the program, loan disbursements were delayed due to the political climate in DRC in the months leading up to June 2005. This delayed access to savings as well as loan distributions.
- Utilization of Interest earned: to date, it is still not clear if it is permissible for HOPE to use interest earned on loans, because of its standing as a sub-grantee of a USAID project. Hence, all reimbursement monies that are 'interest earned' on loans, are being withheld until a decision can be ascertained on the matter from USAID.
- Piloted Agricultural Loan Product: Agricultural Loan Products have not been piloted to date. the possibility to pilot an Agricultural Loan Product by the end of the current contract did not materialize

Lessons Learned--Proposed Actions to Address Implementation Difficulties

Worth

- As seen, Pact has to increase its support to local NGO's in every aspect of their management to support them and increase their capacity to manage Worth programs. This needs to include consistent and increased number of support visits to NGO's. For personnel involved in the Worth program at local NGO level, Pact has to be very strict to be sure to hire good focal persons and facilitators. At the Local NGO level, all personnel of the NGO have to be involved in the Worth program (even the director).
- As the villages in project area are not big enough to provide income generating activities for all women, help needs to be provided to them to create new activities such as storage of maize or other crops and other commercial activities. Pact has also to be careful in the choice of villages and try to avoid temporary villages or adapt its Worth program to village life realities particularly the agricultural calendar.

The program has to be flexible enough to increase activities in some periods and decrease activities in others depending on the site targeted and the time of year.

- This was the first implementation of Worth in the DR Congo context. As seen, the results came slowly. In such conditions, to reach the result of building village banks, the Worth program should be implemented over a much longer time period (at least 5 years or more) to be sure to provide support to women through out all activities of a village bank.
- In the MALI project, Worth took too much time between start-up activities (literacy and savings) and micro credit. To reduce this delay, Worth has to motivate groups to meet more than once a week to increase their literacy ability and then begin micro credit earlier and integrate it earlier along with the literacy component.
- As women can have activities in every sector, improve integration between all programs of a project to assist women in their income generating activities as well as in literacy, savings or micro credit.

Hope

- Discuss utilization of Interest Earned at the beginning of the program with USAID to increase loan capital.
- As seen in subsistence agriculture program, there is a high demand for loans to grow crops. As all MFI's are very cautious about this kind of loan, this product can be linked with agro pastoral team support and participation to community storage silos to offer IFM guarantees for reimbursement.
- It was determined by HOPE management that the prudent track for the coming months would be to ensure the stability of the community banks and their respective training schedules.

II-4. Result 4: Improved Livelihoods of At-Risk Vulnerable Populations.

To realize this result MALI focused on two key at-risk populations: the Gecamines “Partant Volontaires” (GPV’s) and women.

II-4.1 Intermediate Result 4.1: Increased Household Food Security Opportunities.

Results obtained

MALI worked to specifically include GPV’s in its agriculture and SME activities. One thousand thirty five (1035) GPV’s were supported by SME, 32 by Agropastoral and 120 GPV, wives or widows of PV were supported by Worth. An additional 1200 GPV were beneficiaries of community projects. In total, 2387 GPV, or wives or widows of GPV, were involved in SME, Worth and agricultural activities. This represents 23 % of the GPV laid-off in 2004. Work increasingly focused on helping them to improve yields and build viable businesses, but by March, 2007 any focused assistance for the “Gécaminards” will no longer be available.

II-4.2 Intermediate Result 4.2: Increased Household Income Opportunities.

Results obtained

In addition to better agriculture and businesses MALI helped women to become more economically productive within their households through the WORTH program and by focused recruitment into Agropastoral, SME and even community infrastructure short-term employment through IFESH. Women involved in the program are increasing family savings, learning to read, improving their business skills and will soon have access to micro-credit. These activities, while enhancing women’s empowerment, will also increase incomes for households. Now, 5,200 women participate in Worth in 40 villages and communities throughout Katanga.

Hope MFI program targeted women to increase households’ incomes. At the end of June 06, 76% of the 2,388 members of local banks created through Hope are women (1,823).

In Agropastoral work GAI activities, 45 % of 1628 members were women. In intensification activities, 30% of 412 farmers were women.

In SME activities, 28 % of 1,700 persons involved in activities were women (including members of associations).

Difficulties Encountered in Program Implementation are noted in text above

Lessons Learned--Proposed Actions to Address Implementation Difficulties

Women

- Women in the DRC are solid investments for microfinance and literacy interventions such as Worth. A gender-targeted approach, either Worth as traditionally implemented or Worth for men as piloted in Kalemie, is effective and generates significant economic and social capital (literacy, empowered women), but this can

be greatly enhanced with a highly structured support program. Worth has many of these features, but needs to strengthen their implementation in the DRC to accommodate seasonal capacity of women to participate in savings and literacy, regularity of savings, earlier investment in individual and group business activities, and linkage with public health concerns such as mother and child malnutrition, malaria prevention and AIDS/HIV.

- Integration of gender-sensitive inclusion strategies into agricultural, microenterprise and community mobilization activities was also effective for assuring the economic and social participation of women in MALI activities. However, more awareness building and conscious training is needed for all levels of local staff in gender-awareness to assure ongoing optimal participation by women in all levels of decision-making.

Gecamines Partants Volontaires

- Strategic planning among donors, including USAID and the World Bank/COPIREP, along with the implementing partners, both Pact but also other local NGO's, may have influenced the timing of contracting and payments both of Pact and the GPV's, as well as assuring the coordination of all related interventions.
- Effective public communications needs to be improved at national, provincial and local levels to manage expectations and assure buy-in of all involved stakeholders in complex re-integration efforts such as this.

III. MALI Summary Indicator Data Tables

Due to financial constraints at the end of the project, the final evaluation of the results of the project was not implemented using the same level of methodology and expense as in previous years. To address this difficulty, the results that have an annual periodicity were evaluated on the basis of our groups' results by program team experts: Agropastoral, Worth and SME. For Agropastoral results, as the last rainy season 2005-2006 was comparable in rainfall and number of rainy days with the first season which was considered as a baseline, we can assume that most of the increase of production and yield is due to improvement of agriculture techniques introduced by MALI. Pact plans to integrate a household level evaluation in 2007 of MALI results integrated with the baseline study for the EIA.

For malnutrition measures in 2005-2006, it was difficult to have a statistic evaluation but as the production and the yield were better than the previous season we can assume that the malnutrition would have maintained at its previous level (as documented in the Year 2 Evaluation) which was an improvement over the baseline,. We may find even more improvement.

PROGRAM & PROGRESS INDICATORS (Pact Congo MALI Program)							
ANTICIPATED RESULTS	INDICATORS	Periodicity of Reporting	Target Data (cumulative)				Results (cumulative)
			Baseline	Y1	Y2	Y3	Y3 ¹⁰
MALI Program Goal: Increase rural household food security and incomes in the Katanga Province							
Program level impact indicators	Percent increase in household incomes in the areas targeted by the SO (USAID Ind. 1).	Annually	3.89	N/a	10% increase among sampled HH's	10% increase among sampled HH's	-5.0% ¹¹ (Y2)
	Number of projects implemented with leveraged capital investments (USAID Ind. 2).	Annually	0	1 project	2 projects	2 projects	3 projects
MALI Program Objective 1: Rural Households Supported to Establish and Improve Productive Income Activities.							
Agricultural Productivity & Natural	1.1) Percent increase in output of selected commodities (USAID Ind. 1.1)	Annually	Maize: 0.63 † Beans: 0.08 † Rice: 0.92 †	N/a	20% increase among sampled HH's	20% increase among sampled HH's	Maize: 2.5 - 8.4 (+297% to 1,233 %) Beans: N/A Rice: 0.96 - 12.05 (+4%--1,209%) ¹²

¹⁰ Results are for Year 3 data, except when noted

¹¹ Result reported in Year 2 Evaluation Report, assumption is same or better for Year 3

PROGRAM & PROGRESS INDICATORS (Pact Congo MALI Program)							
ANTICIPATED RESULTS	INDICATORS	Periodicity of Reporting	Target Data (cumulative)				Results (cumulative)
			Baseline	Y1	Y2	Y3	Y3 ¹⁰
MALI Program Goal: Increase rural household food security and incomes in the Katanga Province							
Resources Management Improved.	1.2) Percent increase in yields per hectare for selected crops (USAID Ind. 1.2)	Annually	Maize: 0.99 † Beans: 0.19 † Rice: 1.02 †	N/a	20% increase among sampled HH's	20% increase among sampled HH's	Maize: 2.59 - 4.12 (+161 to 316%) Beans: 0.45 † (+ 137%) Rice: 2.1 - 4.4 † (+110 to 340%)
	1.3) Number of new agricultural and other rural livelihood technologies adopted through the program (USAID Indicator 1.1.1).	Quarterly	0	3	6	6	7 ¹³
	1.4) Number of producer organizations organized and operational through the project (USAID Indicator 1.3).	Quarterly	0	60 Organized	280 organized	280 organized	316 organized ¹⁴
	1.5) Percent of producer organizations that have become operational after being organized (USAID Indicator 1.4)	Quarterly	0	%50 operational	50%	50%	58%
	1.6) Number of households adopting improved agricultural and/or NRM practices	Quarterly	0	1000	2000	2000	All members of GAI use one improved agricultural practices in their own fields: 1,628 members

¹² Results obtained from Year 3. For bean, data not available due to lack of household survey. Rice output much higher in Kalemie, much lower in Kolwezi. Maize is higher in Kolwezi, lower everywhere else

¹³ includes intercropping, crop rotation, agro forestry, short term fallow with crops that rehabilitate soils, greenhouse tomato production in the rainy season, animal traction, and hedges with nitrogen fixing shrubs—see above narrative

¹⁴ this included individual and collective producer organisations

PROGRAM & PROGRESS INDICATORS (Pact Congo MALI Program)							
ANTICIPATED RESULTS	INDICATORS	Periodicity of Reporting	Target Data (cumulative)				Results (cumulative)
			Baseline	Y1	Y2	Y3	Y3
Program Objective 2: Expanded Rural Financial Access and Business Support Services.							
Business Support Services Developed and Expanded.	2.1) Number of new kit-based demonstration businesses initiated with Gecamines PVs.	Quarterly	0	25 businesses	50 businesses	75 businesses	79 businesses created
	2.2) Number of new businesses (supplier, intermediate producer/transformer or marketing cooperatives/businesses) organized AND operational.	Quarterly	0	10 suppliers, 100 producers/transformers and 10 marketing businesses organized with 50% operational	20 suppliers, 200 producers/transformers and 20 marketing businesses organized with 75% operational	20 suppliers; 200 producers/transformer and 20 marketing businesses organized with 75% operational	3 agricultural inputs suppliers and 1 vets drugs suppliers and 360 businesses (316 producers or transformers, 59 marketing businesses, or other activities)
	2.3) Number of households newly engaging in non-agricultural, non-NRM livelihood activities.	Quarterly		50	100	100	270 person involved in MIC
	2.4) Number of new 'other' livelihoods technologies (non-ag, non-NRM) adopted.	Quarterly			16	25	25
Increased Financial Capital Resources	2.5) Percent increase in use of financial services in MALI operational areas (USAID Ind. 3.1)	Annually	%7.3	N/a for Y1	30%	30%	50,8%(Y2)
	2.6) Loan Repayment Rates (USAID Ind. 3.2)	Quarterly	0	N/a during Y1	95% worth 99% MFI	95% worth 99% MFI	N/A for Worth 100% MFI

¹⁵ Listed above in Section II-3.1.1

PROGRAM & PROGRESS INDICATORS (Pact Congo MALI Program)							
ANTICIPATED RESULTS	INDICATORS	Periodicity of Reporting	Target Data (cumulative)				Results (cumulative)
			Baseline	Y1	Y2	Y3	Y3
Program Objective 2: Expanded Rural Financial Access and Business Support Services.							
Available Locally through Savings, Empowerment and Microfinance Institutional Support Initiatives.	2.7) Number of loans to men and women (USAID Ind. 3.3) ¹⁶	Quarterly	0	N/a during Y1	MFI Sub volet: 485 for women 85 for men	MFI Sub volet: 1000 for women 250 for men	MFI Sub volet: 1,823 for women 565 for men
	2.8) Value of loans to men and women (USAID Ind. 3.4) ¹⁷	Quarterly	0	N/a during Y1	MFI Sub volet \$ 21,825 loaned to women \$3,825 loaned to men	MFI Sub volet \$ 32,000 loaned to women \$8,000 loaned to men	MFI Sub volet \$140,750 loaned to women \$45,342 loaned to men
	2.9) Number of women participating in Dignité program saving at least US \$0.55/person/month	Quarterly	0	2000 women	3000 women	5200 women 300 men	675 women 132 men
	2.10) Number of women participating in the Dignité literacy program.	Quarterly	0	2000 women	3000 women	5200 women 300 men	5200 women 400 men
	2.11) The US dollar value of financial capital resources generated by savings & micro-credit organizations and institutions being loaned/invested in local economic activities	Quarterly	0	\$4500 Saved \$2000 Worth MFI sub-volet	\$10,000 Loaned-Worth \$25,650 Loaned - MFI sub volet	\$10,000 Loaned-Worth \$40,000 Loaned - MFI sub volet	\$32,550 saved - Worth \$186,142 loaned - MFI sub volet

¹⁶ These two indicators are specific for MFI institutions and are not available in Worth program: in Worth, collected data represent the situation know and is not cumulative from the beginning of the activity.

¹⁷ These two indicators are specific for MFI institutions and are not available in Worth program: in Worth, collected data represent the situation know and is not cumulative until the beginning of the activity.

PROGRAM & PROGRESS INDICATORS (Pact Congo MALI Program)							
ANTICIPATED RESULTS	INDICATORS	Periodicity of Reporting	Target Data (cumulative)				Results
			Baseline	Y1	Y2	Y3	Y3
Program Objective 3: Rural Access to Markets Created or Improved.							
Market Information Collected and Used for Decision-Making by Communities and Individuals.	3.1) Percentage increase in sale of selected commodities (USAID Ind. 2.1).	Annually	Maize: 0.23 † Beans: 0.07† Rice: 0.59 †	N/a	10% increase among sampled HH's	10% increase among sampled HH's	Maize: N/A ¹⁸ Beans: N/A Rice: N/A
Rural Market Access Infrastructures Sustainably Rehabilitated	3.2) Number of economically significant rural market access infrastructures sustainably rehabilitated.	Quarterly	0	9 Infrastructures	30 Infrastructures	30 Infrastructures	32 community infrastructures completed
Economic Governance Improved	3.3) Index for corrupt practices and illegal taxation reduced (USAID Ind. 2.2)	Annually	2.4%	N/a	2%	2%	2.5% (Y2) ¹⁹
	3.4) Number of community resource partnerships created	Quarterly	0	2 community resource partnerships	4 community resource partnerships	4 community resource partnerships	13 good governance projects identify to build community resource partnership

¹⁸ Will be collected in 2007

¹⁹ Index was used in Year 2 Evaluation

PROGRAM & PROGRESS INDICATORS (Pact Congo MALI Program)							
ANTICIPATED RESULTS	INDICATORS	Periodicity of Reporting	Target Data (cumulative)				Results
			Baseline	Y1	Y2	Y3	Y3Q9
Program Objective 4: Improved Livelihoods of At-Risk Vulnerable Populations.							
Increased Household Food Security Opportunities.	4.1) Number of Gecamines PVs engaged in new alternative agricultural and SME income-generating activities.	Quarterly	0	150	900 PVs	1200 PVs	1035 supported by SME, 32 by Agro pastoral and 120 PV, wife or widow of PV supported by Worth 1200 PV as beneficiaries of community project TOTAL : 2387 PV, wife or widow of PV
	4.2) Percent change in prevalence of <5 acute malnutrition in targeted areas (USAID Ind. 4.1)	Annually	%5,6	N/a	-%5 i.e. %5,3	-%5 i.e. %5,3	-43% i.e. %3,2 (Y2)
Increased Household Income Opportunities	4.3) Number of women generating savings through Dignité program peer support, literacy and savings groups.	Quarterly	0	2000 women	3000 women	5200 women	5200 women
	4.4) Number of households with people with disabilities generating new income from new/improved agricultural and business activities.	Quarterly	0	200 persons with disability	400 persons with disability	200 persons with disability	In project area, 13.6% supported households include at least one person with disability i.e. more than 1 000 persons with disability including children (Y2)
Increased availability of HIV/AIDS information.	4.5) Number of groups receiving HIV/AIDS prevention information.	Quarterly	0	7 groups	25 groups	125 groups	0 ²⁰

²⁰ due to financial constraints, HIV information was developed but could not be delivered

IV. Extractive Industries Initiative Program.

The EII in Year 3 of MALI was designed to help mining companies negotiate and sustain their social license to operate in the Democratic Republic of Congo. The Initiative linked the issues of security, human rights, good governance, implementation of the Mining Code, and revenue transparency, to the sustainable social development programmes of mining companies operating in the DRC. The EII facilitated engagement among companies, civil society and the government of the DRC. The EII also linked with multilateral institutions and bi-lateral donors to positively influence GDRC reform. The EII dealt with common issues across all companies, and did not privilege competitors in any way.

The EII was based on the conviction that responsible investment and good business, contributing to a healthy, vibrant and equitable economy, are essential to the future of the DRC. The EII recognized that the DRC's exceptional mineral wealth, which has, in the past, been implicated in conflict and corruption, is vital to the social stability and prosperity of the country. The EII was deliberately envisioned as a bridging phase between the mining sector requests for assistance encountered in the last 18 months of MALI and potential broader networks which have given birth to the \$9 million per year scale of the USAID Pact Extractive Industries Global Development Alliance.

The EII's objectives included:

- Supporting companies to ensure transparency and best practice in their relations with administrative authorities, security forces, and reporting of mining payments and revenues;
- Assisting all players to ensure that mining royalties are invested in sustainable social development in their province and community of origin;
- Supporting companies to ensure best practice in their business operations in relation to adherence to national and international law and voluntary standards, particularly in relation to human rights and security;
- Contributing to the work of the National Mining Commission of the Congolese Enterprise Foundation (FEC) in its work to promote responsible investment and to ensure the consistent and transparent implementation of the Mining Code;
- Ensuring that social investment by mining companies is effective, providing tangible local impacts and contributing to national development priorities;
- Working with partners across all sectors to develop and implement projects and national capacity to address specific issues related to mining including: artisanal mining, livelihoods, mining conditions and child miners; and the relationship between natural resource exploitation and conflict.

USAID's funding, matched by Pact's contribution allowed for program design and organization leading to the development of a substantial public-private partnership between donors and responsible private companies. Pact's role in the EII was to act

as a facilitator, organizer, and partner to members, bringing together the expertise of international development agencies in responsible social development to bear on issues of transparency, governance, and social development surrounding the extractive industries in the DRC.

Results obtained through the program:

Good Governance & Transparency:

- The EII team liaised with the UN Panel of Experts for the DRC on issues relating to good governance in the mining sector.
- The EII presented the Extractive Industries Transparency Initiative (EITI) and the mechanisms and implications of transparency in revenue reporting during a meeting of local business, Congolese and Belgian government officials hosted by the Belgian Consul in April 2006.
- In May 2006, the EII gave an update on progress and a presentation on the key challenges to good governance in the mining sector in the DRC to USAID and the US State Department in Washington DC.
- With the EU, visited the DRC-Zambia border at Kasumbalesa to meet customs officials and observe the scale of illegal export of heterogenite ore.
- Provided the USAID Mission and Director with content analysis which helped the Mission begin to raise revenue transparency and royalty retrocession as major policy issues for the new GDRC and to identify potential champions in the new government who can lead the policy and legislative debates on these issues.

Human Rights & Security

- The EII developed a human rights framework inclusive of security issues to enable companies to ensure that a comprehensive, community-integrated approach is taken to security policy and practice, linking to local NGO development and feeding upwards into security sector reform.
- A monthly meeting was established with the Heads of Security of internationally listed mining companies in Katanga, and the Heads of private security providers, all of whom are committed to the implementation of the Voluntary Principles on Human Rights and Security. The meetings are observed by the Head of Security of MONUC. A basic set of human rights standards (bilingual) was drafted to be used in any induction process for public security forces on mine sites.
- The issue of the implementation of the Voluntary Principles on Human Rights & Security in the mining sector in the DRC were discussed with the joint secretariat, Business for Social Responsibility (US) and the International Business Leaders Forum (UK). This may lead to a national government-

corporate-society workshop, with the relevant international donors and lead governments, in 2007.

- With Anvil Mining and human rights & security specialist, Tony Ling, the EII carried out a training course on the implementation of the Voluntary Principles on Human Rights & Security, focussing on risk assessment and engagement with public security forces, on three mine sites.
- The EII carried out a field level assessment of Tenke Fungurume Mining's human rights training for its Guard Industrial and the Mine Police.
- The EII met with DFID to discuss the 2007 police sector reform review and the potential to include human rights training for the Mine Police in this reform programme and with MONUC to discuss the role of CIVPOL in such training.
- The EII participated in a consultation on Business and Human Rights at the invitation of the Special Representative of the UN Secretary General in Johannesburg in March, 2006.

Building an alliance of responsible mining companies

- Discussions progressed well with individual corporate prospective partners. These partnerships will support the development and implementation of appropriate policies and best practices on mine concessions, as well as ensuring that corporate investment in host communities is effective and sustainable.
- The EII contributed to the development of a concept for USAID/Pact to form an evolving network with Adastra, First Quantum and Phelps Dodge through a Global Development Alliance (GDA) partnership. This has been financed by USIAD and includes a six month period of developing more fully the operational objectives, structures, and communication strategy related to this GDA.
- The EII was discussed and relationships developed with the Congolese business chamber, the Federation des Entreprises Congolaises (FEC), in terms of how the EII will support the newly established National Mining Commission and an 'executive group' of leading companies that will agree to adhere to certain performance standards in terms of corporate responsibility. In February 2006, with the Federation of Congolese Enterprises (FEC), EII co-ordinated a meeting of key mining companies investing in the DRC at the South African mining investment conference, Indaba in Cape Town, to present the initiative and discuss potential areas for collaborative action
- Several visits to mine sites were accomplished to have an overview of the situation of the mining sector in DRC :
 - Visited several mine sites (Dikulushi, Kolwezi, Kinsevere) of potential mining partners to commence process of field-based due diligence

prioritising issues of human rights and security and assessing issues of artisanal mining. Facilitated meetings with six mining companies to discuss shared issues and strategies relating to HIV-AIDS in mining staff and communities. Site visits with potential EII partners including: First Quantum Minerals, Tenke Fungurume, Anvil Mining to progress plans for partnership.

- Visited Province Orientale to assess the levels and socio-political implications of artisanal mining activity on concessions 38 and 40 in consultation with the state-owned enterprise, OKIMO, and AngloGold Ashanti. This visit resulted in a comprehensive report on the current situation and recommendations for future actions to assist in a peaceful transition and development of alternative livelihoods as the government's joint-venture partners seek to commence work on their concessions.
- On request, visited the site of Kalumines (Teal / Africa Rainbow Minerals ARM) to assess the situation with regard to artisanal mining, submitted a report on potential human rights risks for the company and proposed a framework within which to plan social development.

Artisanal Mining

- With Anvil Mining and the government technical assistance service for small-scale mining, SAESSCAM, the EII engaged over 5,000 miners on the Kulu concession in Kolwezi in a process of negotiation to attempt to manage the security risks through a process of negotiation towards safer, legal work conditions and alternative employment. This included the establishment of a Comité of Creuseurs and Negociants. This work was carried out with specialist input on conflict management and resolution by a team member from Pact Sudan.
- The EII met with various groups working with or representing artisanal miners in Katanga to assess the potential for creation of artisanal zones, issues relating to child labour, technical support and co-operative / union organisation.
- A proposal was developed and successfully submitted to the International Finance Corporation (IFC) for a collaborative and multi-stakeholder approach to address the increasingly tense situation between the artisanal and large-scale miners in the Kolwezi region through conflict mitigation, facilitated dialogue, socio-economic planning and a five-route plan for the peaceful transition from informal to formal mining. Four internationally listed mining companies are co-financing this project along with the IFC.
- A project for 6 ex-Gecamines employees who employed 60 artisanal miners and local villagers using the MALI/KUJENGA UHURU incubation and SME counseling approach was established around Anvil's Kinsevere site to make gravel for the mine on a commercial contract. This is an important first

example of the small-scale mining sector providing supply services to the formal sector and the model will be repeated across many concessions and products. Since MALI ended this project has expanded to 24 hour production and doubled its employees.

- The EII made presentations to the Communities And Smallscale Mining (CASM) project, funded by DFID and housed at the World Bank, to discuss potential collaboration on projects related to artisanal miners
- A formal partnership has been agreed between Pact and the government technical assistance service for small-scale mining, SAESSCAM, to provide ground level support for Pact's work with artisans in Kolwezi while at the same time building the capacity of this government service

Other activities

- Meetings were held with different partners to explain the EII's objectives and try to find synergy to increase EII results:
 - Global Witness, who expressed significant interest in, and support for, the initiative and stated their preparedness to engage with our work in whatever form we agree to be the most appropriate.
 - Human Rights Watch, who consider this initiative to be timely, valuable and are prepared to engage directly in some capacity – yet to be determined. HRW would like to work directly with the initiative in Ituri with regard to artisanal gold miners.
 - Groupe One (Belgian NGO) about child miners and their reintegration in school, support to economic activities for their family.
 - CAFOD who are interested in collaboration on all issues in the Ituri region
 - The EII engaged the World Health Organisation and the Kolwezi Zone de Santé as partners to monitor the risk of epidemics in the squatter camps associated with the mining activity.
 - The EII has engaged local NGO partners in the development of alternative employment options for artisanal miners
- A Due Diligence Process was developed for Pact to enable informed decision-making and manage risks in engaging with mining companies in DRC. Three key documents were produced:
 - a. A comprehensive overview of all internationally recognised standards and guidelines for responsible corporate behaviour in terms of human rights, security, corruption, transparency, labour, social investment and environmental impact
 - b. Desk and field based research protocols to determine corporate track record, policies, practices, performance and public/stakeholder perceptions

-
- c. A guide to decision making with regard to engaging with companies, aligning objectives, managing partnerships, measuring impact, protecting integrity.

Difficulties Encountered in Program Implementation:

- During the year, it became clear that the need for the kind of support and interventions that the EII can provide is urgent and growing. The EII has been approached by far more companies than it can assist.
- The team's capacity to deliver the EII is a key issue – more resources are needed to enable the recruitment of more staff, both already skilled experts plus local staff to start training for senior positions. Progress on the UNDP-UNV recruitment has been very slow.
- The current political situation in the DRC is making progress on many fronts slow as key actors and donors hold off decision making or fund-granting as they await to see how the elections will proceed. In July, the first round of the national elections was held. In August, there was some violence following the publication of the results, and a second round of voting will be held in October. This political instability has impacted on companies' willingness to start new initiatives, donor preparedness to commit to new projects, and access to government representatives.

Lessons Learned--Proposed Actions to Address Implementation Difficulties:

- The DRC seems to provide exceptional opportunities for a responsible private-sector led social development and improved governance agenda. However, risk management is a critical challenge for donors and implementing partners and, as with the mining companies, risks have to be managed on an ongoing basis. Coordination among multilateral agencies, such as the World Bank and MONUC/UN, and bi-lateral donors, are difficult and challenging. There are limits to a bottom-up approach if the GDRC and the international stakeholders are not committed to an indepth analysis of threats and opportunities and providing staff in-country who can provide support to the GDRC and responsible companies.
- A full time member of staff with expert skills in this area was recruited. Karen Hayes has extensive experience of working with companies on sustainable social investment and environmental impact, particularly in South Africa. Ms Hayes also has specific experience in the mining sector of DRC as a consultant to the DRC Ministry of Mines. Ms Hayes is a specialist in (colombotantalite) and cassiterite (tin) in eastern DRC, and has extensive field experience in country. She has also worked for the UN (Paris) and the IFC (USA).
- The programme will be expanded on the basis of recruiting consultants for specific pieces of work to enable access to a wide range of skills without the

financial commitment of full time employment. The UNV opportunity will continue to be pursued.

- No specific action can be taken to counter the difficulties posed by the political process and donor/corporate reticence in making commitments, however the programme will continue to make progress with the resources already made available, leaving the door open for other donors, companies and government agencies to join as and when their strategies permit.