



**NDA**

National  
Development  
Agency

**ITSOSENG BASADI POULTRY PROJECT**

**CLOSE -OUT EVALUATION**

**SEPTEMBER 2013**



**CLOSE OUT EVALUATION**  
**FOR**  
**ITSOSENG BASADI POULTRY PROJECT**  
**SUBMITTED BY: AKHUMCEBO TRADING (PTY) LTD**  
**DATE OF SUBMISSION: 27 September 2013**

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### **1. EXECUTIVE SUMMARY**

#### **1.1 Objectives of the evaluation**

1. To determine if the project was relevant and appropriate to the needs of the community, in particular the beneficiaries of the project
2. To evaluate the effectiveness of the project with regard to the resource allocation and economic development of the beneficiaries
3. To determine the efficiency of resources allocated in terms of capacity building, finances and human resources
4. To evaluate the effectiveness of the project management with regard to the systems and mechanism to manage the finances
5. To evaluate the impact (both positive and negative) that the project had on the livelihood of the beneficiaries
6. To determine if the project is able to sustain itself without the funding from the NDA or any other organization

#### **1.2 Major evaluation questions**

The questions we asked the **beneficiaries** were mainly focused on their understanding of the project, whether the resources they were promised were delivered to them, whether they received proper training and assistance from qualified trainers and if that training gave them enough confidence to implement the project's operational plan. We also asked them about the challenges they were facing, and if they thought the overall project was a success. The questionnaire also asked them to make recommendations on how the program can improve.

The major questions that we asked especially to the Development Manager (Dineo Lebona) project manager (Mme Maria Molete) and the field workers were the following:

- The program design, whether it considered the needs of the beneficiaries, whether people were capacitated, if resources were allocated accordingly, whether time frames were adhered to and whether there were internal monitoring and evaluation systems in place.
- How the programme was implemented in relation to the skills, the resources, training and management
- Whether the programme is sustainable, what the achievements are and how it can improve
- If the resources were well managed, what they were used for, and if there is room for improvement in resource management

### **1.3 Major results or findings**

The majority of the beneficiaries reported that the project was well explained to them, resources were delivered on time, they received adequate training and all of them were of the opinion that the project was a success.

The main concern that the beneficiaries have are that they are not receiving any stipend, therefore going for months without an income, and this causes them to be de-motivated as they still have to find other ways of fending for their families.

The only training received by the beneficiaries where they gained confidence is the training in egg production, conflict management and organizational skills.

The high death rate of layers is a concern as most die when producing jumbo size eggs.

### **1.4 Major recommendations to the program**

- There is still a great demand for financial management skills, business management skills and the human resources (employment of young people), because this will enable them to sustain the project and improve it.
- The project members need training in pricing of eggs and chicken, because currently that skill seems to be lacking. This they can obtain from Institutions like SEDA and DTI.
- The project needs a grading machine in order to assist in terms of pricing.
- More training is needed as far as chicken farming to avoid unnecessary deaths of layers.

### **1.5 Major conclusions and implications**

The project is viable but not sustainable at present. With the income challenges that the beneficiaries are subdued to the morale is low thus impacting on productivity. Proper sales and grading plans will benefit the project as they aren't making the necessary profit at the moment.

## **1. PROJECT BACKGROUND**

Itsoseng Basadi Poultry Project is a poultry farming project which primarily focuses on egg production. It was first established in **1998**, comprising of 44 beneficiaries and its main objective was the eradication of poverty and the creation of employment for the community. In **1999**, the project received funding of R80 000 from the Department of Social Development to build 2 poultry houses, but this process had a quick collapse due to insufficient funds. In **2004** they received a ready-made poultry structure, 500 laying hens and feeds for the hens from the Motheo District Municipality.

The NDA first funded the project in **2006** to the amount of R615 667, 00, with the objective of capacity building and expansion of the project to generate income for the beneficiaries. At this stage the project had reduced its beneficiaries from 44 to 24, and had a capacity of 300 layers. The project received its second funding from the NDA in **2011** in the amount of R1 005 392 mainly for income generation and sustainability. At this moment the number of beneficiaries had reduced to 11, who are doing all the manual labor on their own.

The project implementation plan for this project had set out the following objectives and with specified time-frames:

- To expand the existing capacity of 1500 layers to 5050 layers by building new structures within 6 months
- To enhance financial, managerial and marketing skills of 11 project members
- To provide sustainable employment for 11 project members through sustainable production of eggs that better withstand cyclic price changes
- To generate additional income for the members through sales of eggs
- To acquire more market share by supplying eggs to government departments through preferential tendering and partnerships with big business
- To develop the project from being a community based project to a viable small business that is run on sound principles of good governance
- To improve nutritional and health levels of the local communities through easy and affordable access to eggs
- To make a positive contribution to the Local Economic Development Programme of the Naledi local municipality job creation and economic benefits for the indirect beneficiaries

- To develop an effective local Public-Private-Partnership model in the Naledi Local Municipality

The overall aim of this project is to ensure that the project members become independent commercial farmers and to ensure sustainability of the project post funding.

## **2. EVALUTION AIM AND OBJECTIVES**

The purpose of this close out evaluation is to assess whether the funding met its desired outcome in terms of the following:

- To provide a comprehensive performance overview of the entire project by evaluating how the resources were allocated, whether the project met its objectives as set out in the proposal, whether the managements systems were appropriate, whether the training provided was enough to empower the staff and beneficiaries
- To determine the impact that the project had on the beneficiaries and the community, whether it improved their livelihood by improving their nutritional levels, and whether they are able to generate sustainable income from the sales
- To highlight the lessons to be learned in order to make recommendations that will assist the organization in moving forward and be sustainable
- To highlight the project alignment with the municipality IDPS and relevant government sector department's programmes

## **3. EVALUATION METHODOLOGY**

### **3.1 Methodology**

The participants in this evaluation process are beneficiaries (7 of them) of the project whom most of them are also members of the board committee and the Development Manager from the NDA, Ms. Dineo Lebona.

The first method that was used for collecting data was a mixed method of research, which means that both the qualitative and quantitative approaches of research were used to determine the results. The

qualitative method was to determine findings by means of conducting face to face interviews with beneficiaries, project managers and field workers, and the quantitative approach was conducted through telephonic interviews and the standard questionnaire designed by the evaluator.

A literature study of all the documents obtained from the project, the Development Manager and the NDA was also done. Field notes were kept during site visits to note the evaluator's observations of the project as a whole during interviews.

The above mentioned methods have been selected to provide the evaluator with a holistic view of the project, and to give a rich description of the findings regarding the evaluation objectives.

All interviews with the beneficiaries and the project managers were done on the project site in order to validate whether the agreed upon deliverables have been achieved, and to determine whether the project is sustainable. The interview with the Development Manager was done from the NDA offices, because of the availability of the Development Manager.

### **3.2 Validity**

The results from the interviews (telephonic, face-to-face, questionnaire) are an accurate representation of the perceptions of the participants regarding the overall project.

### **3.3 Credibility**

The evaluator's conclusions stems from the data collected, which will constitute both the positive results as well as discrepancies found in the assessment of the data.

## **4. RESULTS**

### **4.1 Description of participants**

The participants are consisting of 11 members, 10 women and 1 man, who are mostly aged above 60 years. Most of the project members also serve as board committee members and they have no formal education. The beneficiaries, mainly because of age, are sickly and lack the necessary mobility to carry out the work.

### **4.2 Responses and findings from participants**

The participants seem to be content with the fact that they are working, even though they all mentioned that the issue of them receiving a stipend must be looked into, since they would go for up to 7 months without any income.

The project members are of the view that they should receive a salary/stipend for the work that they do, which does not correspond with their view that the project has been well explained to them and they understood the objectives.

### 4.3 Findings from documents reviewed

**Table 1: Comparison of findings to planned outcomes**

| Planned outcomes   | Findings  |
|--|---|
| The purchase of a delivery vehicle                                       | The delivery vehicle was purchased, but it is not a Hilux Bakkie as stated on the financial reports but a Hyundai Bakkie. |
| The expansion of layers house  | Partially achieved,   |
| Installation of bulk feeder tank   | Achieved  |
| Withstanding cyclical price changes of grain feeds for profitability     | Project still not realizing profit  |
| Renovation of offices  | Achieved  |
| Purchase of equipment  | Achieved  |
| Building of ablutions  | Achieved  |
| Training on leadership, governance skills and organizational development | Achieved , but more training still needs to be done on business and financial management                                  |
| Expansion from 1500 to 5050 layers                                       | Not achieved, currently at 2035 layers  |

### 4.4 Project strengths

The beneficiaries have embarked on a vegetable production for their own nutrition as well as selling the excess vegetables for profit. The support from partnerships facilitated by the NDA with the Department of Agriculture, SEDA, and the local municipality has given the beneficiaries confidence and drive to succeed. The project has managed to find a good contract supplying their eggs and having them sold under the brand called Toplay.

The beneficiaries received certificates for the completion of training in Broiler production, egg production and management of a poultry farm. Through this initiative the production and management skills of beneficiaries have improved.

### 4.5 Challenges

The biggest challenge faced by the beneficiaries is that they are mostly aged over 60 years, which means there is little mobility and physical strength to be able to endure the hard work that comes with poultry production. The youth that receives training on poultry production do not remain in the project for long, they move on for better salaries.

The project has to expand to 10 000 layers in order to realize profit and sustain jobs for the beneficiaries. It is our understanding from interviews conducted that the total number of layers is currently at 2165. The purchase of feeds is too expensive, which means that beneficiaries are not realizing any profit, which is demoralizing for them because they are still unable to take care of their families and their dependants.

The project is not on schedule on most of its implementation plan, due to the late delivery of lay hens and the feeder tank, and also due to the delay in the transfer of funds from the NDA.

It was stated in the Interim report that even though beneficiaries received training in financial management, they still lacked the business acumen that is required in order for them to commercialize their poultry production business.

## **5. DISCUSSION AND CONCLUSIONS**

### **5.1 Resource allocation:**

It is evident that from the findings that although beneficiaries are of the view that all resources were allocated to the project on time, none of them reported the delay of the first tranche from the NDA, which meant that the prices of layers and feed had already escalated at the time they received it. This led to the project working at a loss and unable to make any profit from production of eggs.

The project is in dire need of a grading machine, because currently they do not have a tool in which they can determine the price of eggs, or chicken. They are currently charging R25 for 30 eggs, and the current market price is at R39.00 for 30 eggs. This will not enable them to establish economical viability.

### **5.2 The impact on the beneficiaries and the community:**

The impact that the project had on the beneficiaries is minimal, in that they now have stable jobs, but they are still not generating any sustainable income from the sales, mainly because of price increases in layers and the chicken feed. They have reported not getting any stipend in as far as 7 months. This is a major concern because they reported that the project was well explained to them, but they are of the view that they are employees to the project, and that they do not show ownership to it.

The vegetables that they are planting have also added value by improving their nutritional levels.

There is no impact on the community, because the current contract to supply eggs to El Alzaar which are sold under the brand Toplay is taking all the egg production per week, and there is nothing left to supply the community. There is also no community involvement in the project, only two community members were appointed as security personnel.

### **5.3 Effectiveness and Efficiency:**

The livelihoods of project members were partially improved because they have full time employment; their nutritional value has increased especially because they have also ventured into vegetable production. They are however, still making little or no profit at all from the sales.

There was no contingency plan for the chickens that were no longer laying eggs, to a point that they were costing the project in terms of cost of feed. The positive result is that they have reported to have found a buyer for the chickens, the sales will commence in February 2014.

### **5.4 Sustainability and Replicability:**

- The industrial study that was done (as reported by the Development Manager) stipulated that poultry farming needs to be capacitated to 10000 layers before they can realize profit and be sustainable, and the project, although funded for 5050 layers, is still at 2165 layers.
- The chickens are dying at a quicker rate than expected, due to unknown reasons and sometimes they will kill each other because of being crowded into confined spaces.
- The project members are getting older and therefore cannot endure the physical demand involved in poultry farming.
- The project can be sustainable if due regard is given to the recommendations stated below.
- The project can be replicable if attention can be given to price analysis (including inflation rates) of chickens, feed, and transport; and if project members are selected with considerations to the type of labour involved, their business acumen and financial management skills. Otherwise there should be intensive training before any funds can be released to ensure that the project members are ready for the project.

## **6. LESSONS LEARNED AND RECOMMENDATIONS**

Program improvement

- Pricing
- Selling chicken that no longer lays eggs
- Business management skills

- Financial Management skills
- Management of fatality of chickens
- Younger project members

#### Continuation

- Possible, if they can learn how to grade their eggs and chicken
- The project members need to be explained to that it is up to them to earn an income; they must be given a sense of ownership to the project by business management skills training and financial management skill training.
- The project should attract younger project members, who are qualified in managerial and financial skills to sustain the project.

#### Future evaluations

- Ensure that the project term has come to an end, late transferring of tranches delays the implementation even though there are stipulated time-frames.
- The Development Manager must be informed timeously about any external evaluation
- Supply all required documentation together with the Terms of Reference at the onset of the evaluation.

## 7. REFERENCES

### 7.1 Literature Review

Our data was sourced from the following documents obtained from the project itself, and from the NDA:

- Project reports
- Project visit feedback reports
- Financing agreement
- Development manager monitoring reports
- Development manager progress reports
- Mid-term progress and performance assessment reports
- Marketing plans
- Due diligence reports

### 7.2 Other sources:

- Leedy, P.D. & Ormrod, J.E. 2001. Practical research: planning and design, 7<sup>th</sup> ed. Ohio: Merrill Prentice Hall

- Creswell, J.W. 2003. Research design: qualitative, quantitative, and mixed methods approaches, 2<sup>nd</sup> ed. Thousand Oaks: Sage
- Kobus M. 2007. First Steps in Research, 1<sup>st</sup> ed. Paarl Print, South Africa

**8. APPENDICES**

**8.1 Sample Questionnaire**

**THE FOLLOWING QUESTIONS ARE REGARDING THE PROJECT DESIGN PLAN.**

1. Did it take into consideration the beneficiaries and the community? (tick where applicable)

|               | Yes | No | Reasons |
|---------------|-----|----|---------|
| Beneficiaries |     |    |         |
| Community     |     |    |         |

2. Were the activities clearly described?

|     |  |  |
|-----|--|--|
| Yes |  |  |
| No  |  |  |

3. Were they practically possible?

|     |  |  |
|-----|--|--|
| Yes |  |  |
| No  |  |  |

4. Was capacity taken into account when designing this project?

|     |  |  |
|-----|--|--|
| Yes |  |  |
| No  |  |  |

If yes, explain how.

-----

-----

5. Were time frames well/clearly described?

|     |  |
|-----|--|
| Yes |  |
| No  |  |

6. Were resources allocated? (tick where applicable)

|                 |     |    |
|-----------------|-----|----|
|                 | Yes | No |
| Finances        |     |    |
| Human resources |     |    |
| Material        |     |    |

7. Were monitoring, reporting and support expectations well described and well orientated?

|     |  |
|-----|--|
| Yes |  |
| No  |  |

8. Were output, outcome and impact well defined?

|     |  |
|-----|--|
| Yes |  |
| No  |  |

9. What was done appropriately during the design?

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10. What was missed?

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11. What are the implications for the way things were done?

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12. What needs to be done to correct/avoid/improve/ strengthen this area?

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**THE FOLLOWING QUESTIONS ARE CONCERNING THE IMPLEMENTATION OF THE PROJECT**

1. Did the project start on a planned time frame? If not state the reasons.

| Yes | No | Reasons |
|-----|----|---------|
|     |    |         |
|     |    |         |

2. Were planned activities implemented according to plan? If not state the reasons.

| Yes | No | Reasons |
|-----|----|---------|
|     |    |         |
|     |    |         |

|  |  |  |
|--|--|--|
|  |  |  |
|--|--|--|

3. Do people working in the project have the skill and capacities to implement and manage the project according to plan? If not state the reasons.

| Yes | No | Reasons |
|-----|----|---------|
|     |    |         |
|     |    |         |

4. How are they managing the project and why are they managing it in that way?

-----  
 -----  
 -----

5. Has the project received support, direction and advice from the NDA staff?

| Yes | No | Reasons |
|-----|----|---------|
|     |    |         |
|     |    |         |

6. Who, when and what was done (from the NDA staff)?

| Name | Contacts | intervention |
|------|----------|--------------|
|      |          |              |
|      |          |              |

7. Has the project received its resourcing in time?

| Yes | No | Reasons |
|-----|----|---------|
|     |    |         |
|     |    |         |

8. What was done to correct what went wrong, by who when, and what were the outcomes of the intervention?

-----  
 -----  
 -----  
 -----  
 -----

9. Does the project have governance, management and reporting systems to ensure proper management? If not, what was done to solve the problem?

| Yes | No | Solution |
|-----|----|----------|
|     |    |          |
|     |    |          |

10. Is the project viable and sustainable? If not, what can be done to make it viable and sustainable?

| Yes | No | Reasons |
|-----|----|---------|
|     |    |         |
|     |    |         |

11. Achievements? Has the overall objective of the project been met?

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 -----  
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**THE FOLLOWING QUESTIONS ARE CONCERNING THE RESOURCES MANAGEMENT**

1. Were the resources managed in a prudent manner? If not, what has been done to correct it?

| Yes | No | Reasons |
|-----|----|---------|
|     |    |         |
|     |    |         |

2. Were the resources used according to plan? If not, what has been done to correct it?

| Yes | No | Reasons |
|-----|----|---------|
|     |    |         |
|     |    |         |

3. How can this be avoided or strengthened?

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4. What are the recommendations to strengthen resource management?

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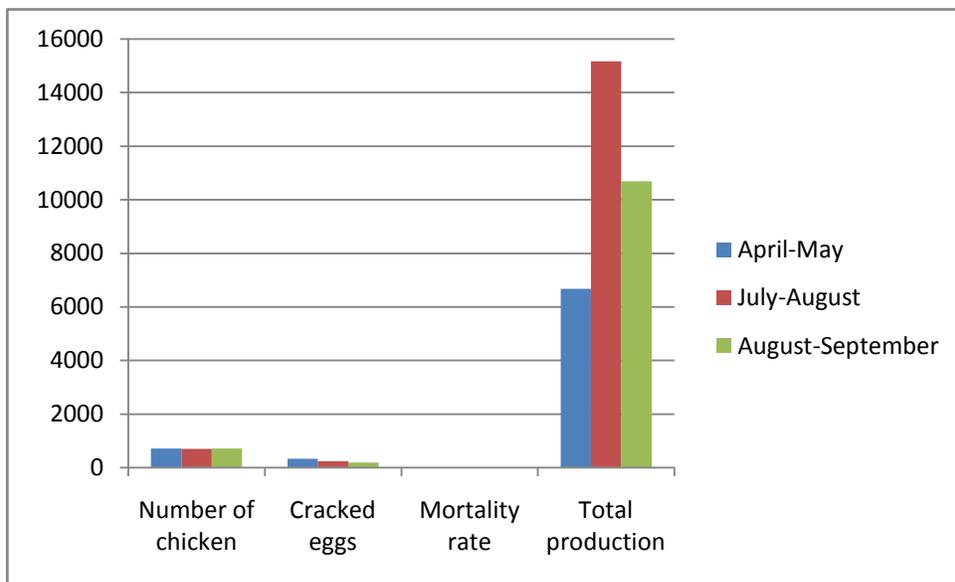
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**8.2 Production report for Itsoseng Basadi Poultry Project**

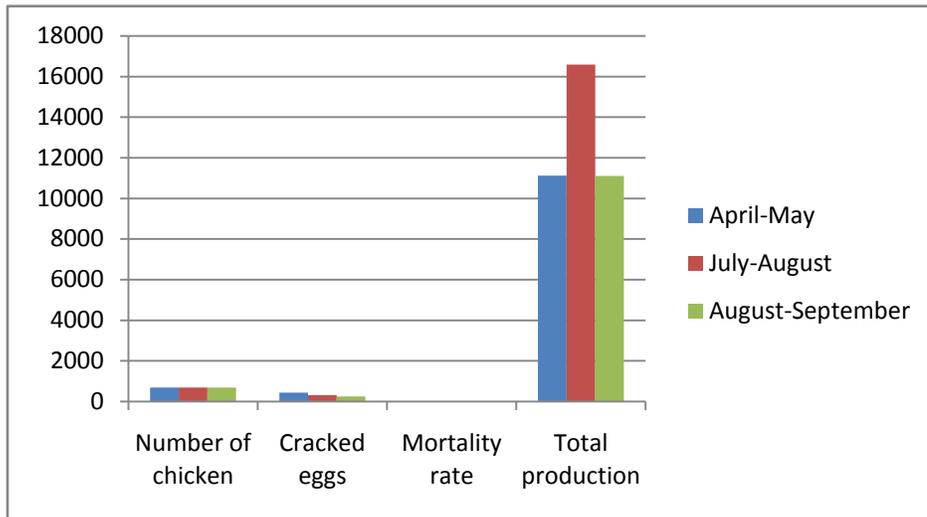
**Table 2: HOUSE 1**

| Month(s)         | Number of chicken | Cracked eggs | Mortality rate | Total production |
|------------------|-------------------|--------------|----------------|------------------|
| April-May        | 719               | 334          | 6              | 6675             |
| July-August      | 710               | 246          | 4              | 15173            |
| August-September | 710               | 194          | 1              | 10689            |



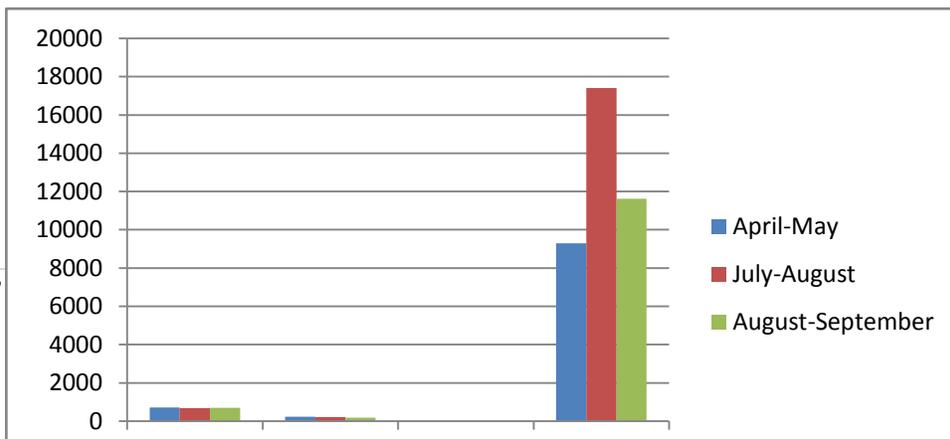
**Table 3: HOUSE 2**

| Month(s)         | Number of chicken | Cracked eggs | Mortality rate | Total production |
|------------------|-------------------|--------------|----------------|------------------|
| April-May        | 701               | 451          | 9              | 11123            |
| July-August      | 687               | 312          | 5              | 16596            |
| August-September | 687               | 246          | 1              | 11106            |



**Table 4: HOUSE 3**

| Month(s)         | Number of chicken | Cracked eggs | Mortality rate | Total production |
|------------------|-------------------|--------------|----------------|------------------|
| April-May        | 718               | 243          | 6              | 9292             |
| July-August      | 692               | 230          | 10             | 17403            |
| August-September | 692               | 188          | 2              | 11618            |



**Site Photos:**



**New bulk feeding tanker**



**Bakkie purchased for project.**



**Inside the newly erected chicken shed.**



**Shack that was transformed into shed.**



**Foundation of a new layers shed.**



**Branding of the project's eggs.**





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