



Sustainability challenges of matching grant-funded enterprises: Qualitative perspectives from smallholder farmers and implementers

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ABSTRACT

Despite substantial investment in matching grant programmes to promote rural enterprise development, many funded farming enterprises fail to remain sustainable beyond the funding period. This study examines the reasons why some farming enterprises funded through matching grants fail to remain sustainable in Chipili District, Zambia. The study seeks to answer the question: what challenges prevent matching grant-funded farming enterprises from succeeding in the long term? The research is guided by principal-agent theory, the sustainable livelihoods framework, and institutional theory. The target population were beneficiary farmers of the Matching Grant Facility of Chipili District and the government officers. The research design employed was qualitative, and a total of nineteen (19) participants participated in semi-structured interviews and three (3) focus group discussions, who were sampled in a purposive manner. Thematic analysis was used to analyse data in order to establish common trends that affect the sustainability of a farming enterprise. The results indicate that matching grants assisted others to initiate and grow their businesses; however, most of the projects did not survive, owing to a number of challenges. These included poor access to markets, lack of certified seed, weak exit strategies, and delays in administrative procedures. Other challenges were low financial literacy, inadequate training, limited access to additional finance, poor stakeholder involvement, weak leadership, and conflicts within farmer groups. The study concludes that providing funds alone is not enough to ensure the success of farming enterprises. Based on the findings, the study recommendations are continued capacity building, stronger institutional support, and clear exit strategies to improve the sustainability of matching grant-funded enterprises. The findings are useful for policymakers and development practitioners involved in the design and implementation of matching grant programmes aimed at supporting sustainable rural livelihoods.

Keywords: Agricultural Development, Enterprise Sustainability, Matching Grants, Project Failure, Rural Livelihoods

I. INTRODUCTION

Matching grant schemes have emerged as a prominent strategy in agricultural development programs, designed to catalyze investment, stimulate rural enterprise growth, and reduce poverty among smallholder farmers (Amukoa, 2023; WorldBank, 2021). By requiring beneficiaries to co-finance part of the investment, such grants aim to promote ownership and accountability while overcoming liquidity and credit access barriers. In Zambia, government agencies and development partners have deployed matching grants to promote agribusiness, value addition, and market integration (Mabiso et al., 2020). Despite these intentions, the long-term sustainability of enterprises funded through such schemes remains uncertain, as anecdotal evidence suggests that many enterprises struggle to survive once donor or government support ceases. This raises critical questions about the underlying challenges that influence whether matching grant-funded enterprises persist or fail in rural Zambia. (Campos et al., 2014)

One of the most prominent challenges threatening sustainability is limited access to working capital and financial services beyond the initial grant period (Burki, 2015). While grants provide a temporary injection of resources, many smallholder farmers face difficulties securing credit for reinvestment, scaling operations, or absorbing market shocks. (Campos et al., 2014). Weak linkages with financial institutions, high interest rates, and collateral requirements often leave these enterprises vulnerable to collapse once grant funding is exhausted. Without continuous access to affordable finance, enterprises may lack the liquidity required to purchase inputs, maintain equipment, or respond to seasonal fluctuations in demand. This financial fragility undermines the intended catalytic effect of matching grants and perpetuates dependency on external support (Mundia et al., 2023).



Beyond financial hurdles, the sustainability of grant-funded enterprises is heavily influenced by the technical and managerial competencies of smallholder farmers. Many beneficiaries enter grant programs with limited business planning skills, record-keeping practices, or exposure to modern production techniques (Lee, 2017). Although some programs integrate capacity-building components, these are often short-term and insufficiently tailored to local contexts. Consequently, enterprises may fail to adapt to changing market conditions, diversify products, or achieve operational efficiency (Mundia et al., 2023). Weak managerial capacity also constrains the ability to reinvest profits strategically, manage risks, or maintain compliance with regulatory requirements, further eroding long-term viability. (Scoones, 2015)

Market access and institutional dynamics represent another critical determinant of enterprise sustainability. Smallholder farmers often operate in poorly structured markets characterized by limited buyer competition, high transaction costs, and volatile prices (Mundia et al., 2023). Even when production levels increase, the absence of reliable off-take agreements, transport infrastructure, and value chain integration reduces profitability and discourages reinvestment. Moreover, institutional barriers such as bureaucratic grant disbursement procedures, limited post-grant monitoring, and weak coordination between implementing agencies exacerbate challenges. Without supportive institutional frameworks and market linkages, matching grants risk creating enterprises that are supply-driven but disconnected from demand realities.

The discussion of these issues highlights that the sustainability of complementary grant-funded enterprises cannot be ensured by financial transfers only. To be effective, matching grants have to be supplemented by broader systems that encourage financial inclusion, technical skills, managerial capacity, and market access to have a lasting effect. It is important to enhance farmer capacity, enhance connection with financial institutions and value chain players and to establish effective post-grant monitoring mechanisms, therefore. Moreover, it is necessary to have programme designs that consider the local conditions and enhances resilience to shocks like climate variability and market changes. It is against this backdrop that the objective of this study is to analyze the major issues that lead to the failure of matching grant-funded farming enterprises in Chipili District, Zambia. In particular, the study is aimed at determining structural, institutional, and operational issues that impede the long-term sustainability of such enterprises.

1.1 Research Objectives

The objectives of this study were to:

1. Examine the key challenges affecting the long-term sustainability of farming enterprises funded through matching grants in Chipili District, Zambia.
2. Explore the experiences of beneficiary farmers and implementers regarding the implementation and outcomes of matching grant-funded farming enterprises

II. LITERATURE REVIEW

2.1 Theoretical Review

Three principal theories (principal-agency theory, the Sustainable Livelihoods Framework and institutional theory) would be used to explain the design and outcomes of matching grant programs in agricultural development. All these theories assist in understanding the alignment of incentives and sustaining livelihoods, as well as the influence of governance systems on the outcomes of programs.

The reasoning behind matching grants can be associated with the principal-agent theory, premised on the idea that cost-sharing decreases moral hazard by aligning incentives and motivating beneficiaries to commit (Shah, 2020). But under conditions of weak institutions and high poverty, incentive alignment cannot be relied upon to enhance sustainability, because beneficiaries might have no capacity or enabling environment to sustain investments in the long run (Ola et al., 2019).

Additionally to the principal agent theory, the Sustainable Livelihoods Framework (SLF) is a more detailed framework that can be used to evaluate matching grant outcomes (Natarajan et al., 2022). The SLF points to the role of access to a variety of types of capital in livelihood sustainability based on the idea that financial, human, social, physical and institutional forms of capital are interdependent as opposed to the reliance on financial inputs (Natarajan et al., 2022). In this view, matching grants primarily lead to financial and physical capital, yet the effectiveness of these efforts in the long run is determined by the complements of institutional support, access to markets and the maturation of human skills and capacity.

The institutional theory also points out the role of governance institutions, administrative capacity, and regulatory settings in determining the results of the programs (Risi et al., 2023). It is possible to weaken implementation with weak institutions in the form of sluggish disbursements, insufficient monitoring, and poor stakeholder coordination (WorldBank, 2016). Combined, those theoretical viewpoints imply that matching grants are to be examined within larger livelihood systems and institutional systems instead of being assessed as financial interventions on their own.

2.2 Empirical Review

2.2.1 Key Challenges Affecting the Long-Term Sustainability of Matching Grant-Funded Enterprise

Matching grants (MGs) are financial support initiatives aimed at assisting small businesses and farmers by lessening the level of money that is required by them to invest but motivate them to invest alongside. The empirical research demonstrates that MGs are able to enhance enterprise performance, income, and assets, however, the outcomes differ based on the context and the program design. McKenzie et al. (2017) examined small businesses in Sri Lanka and India and reported that MG recipients had better chances to survive and implement new technologies in the short term. Nevertheless, the positive impacts tended to wear off once the grants were over, which indicates that the sustainability of such programs is uncertain in the long term.

There are also positive effects in Africa that are rigorously demonstrated in specific circumstances. Hossain et al. (2022) compared a horticultural MG programme in Rwanda with a fuzzy regression discontinuity design. The researchers determined that grant recipients had increased horticultural revenue, total household revenue, employed labour and asset holdings in comparison to non-recipients. The findings suggest that when the beneficiaries use their funds productively, MGs can generate quantifiable long-term returns. Similar results were reported by Jung and Hajjar (2023), analyzing MG programs in Ghana and Tanzania, as the authors observed that the success of the programs is determined by the local governance, integration into the value chains, and the support of the policies in general. Kolavalli et al. (2020) highlighted the importance of time and design: interventions in value chains can bring better results when integrated with training, market connections, and technical support to smallholders.

The further evidence indicates that MGs are effective with a complementary support. The study by McKenzie et al. (2017) established that funding of MGs, which financed consulting and business advisory services, enhanced innovation, capital investments, and marketing activities among small firms. Ullah et al. (2024) continue to note that the enterprise growth, technology adoption, and business expansion can be facilitated by matching grants provided that such beneficiaries are willing to co-invest in productive assets. Sberro-Kessler (2019) present an example of India, where the integration of smallholders into market systems provided by value addition can increase the incomes of farmers up to 86%. Despite these benefits, MG programs face financial, institutional, market, administrative, and social challenges that threaten sustainability:

Financial Constraints to Sustainability: Co-financing requirements disproportionately exclude smallholders with limited assets and weak access to formal credit markets. The fundamental paradox of matching grants lies in requiring co-financing from farmers who lack access to formal financial services. Studies indicate that asset poverty significantly constrains smallholder participation, with household asset levels strongly predicting access to agricultural credit in Zambia. High interest rates exceeding 30% annually make borrowing prohibitively expensive for meeting matching requirements (Mainza & Hachinene, 2024)

Agricultural production cycles create unique challenges, as farmers must meet matching grant payment schedules despite seasonal income patterns and climate-related risks. Poor road conditions drive up transportation costs for farmers, eating into their profits, while climate variability increases financial risk in rain-fed systems (Ajayi et al., 2024)

Institutional Capacity Limitations: Government agricultural departments often lack adequate human resources and technical expertise for effective program implementation (Antwi-Agyei & Stringer, 2021). Studies identify inadequate institutional capacity and legal frameworks as barriers to policy implementation, with significant provincial and district-level variations in capacity. Effective matching grant utilization requires comprehensive technical assistance, yet Zambia's agricultural extension system faces severe resource constraints with extension worker-to-farmer ratios far exceeding recommended levels (Chavula & Yali, 2022).

Market Access and Integration Barriers: Research identifies barriers to market access for smallholder farmers and poor market integration, including quality standards, volume requirements, and high transaction costs that limit formal value chain participation (Ezeudu & Obimbua, 2024). Post-harvest losses estimated at 20-30% for major crops significantly reduce investment returns. For instance, conducted in Ethiopia the findings demonstrated that 25.81% perceived annual average post-harvest losses of crops were obtained with considerable variation across the crop types. (Debebe, 2022). Limited market intelligence affects farmers' ability to make informed investment decisions, often resulting in production for oversaturated markets or failure to meet quality requirements

Administrative and Procedural Complexities: Complex documentation requirements and language barriers systematically exclude vulnerable farmers with limited formal education (WorldBank, 2016). Bureaucratic procedures often fail to account for agricultural timing requirements, creating misalignment between fund availability and seasonal investment needs. (Sberro-Kessler, 2019). Extensive monitoring and reporting requirements can overwhelm smallholder farmers and rural institutions with limited administrative capacity, emphasizing financial compliance over developmental outcomes (Sberro-Kessler, 2019).

Social and Organizational Factors: Social and organizational dynamics also influence matching grant outcomes. Weak group leadership, limited collective action, and intra-group power struggles can undermine enterprise

management and accountability. Programs emphasizing gender and youth focused opportunities face implementation challenges, as women farmers encounter limited land ownership rights and restricted credit access, while youth lack farming experience and collateral (Msangi et al., 2024). Challenges exist in uptake of new technologies, including drought-tolerant seeds and solar irrigation, as matching grants often promote practices conflicting with traditional farming systems and cultural preferences (Steinke et al., 2022). The literature reviewed indicates that financial, institutional, market, and social factors affect matching grant sustainability due to their interconnection. Although matching grants can trigger investment and establishment of enterprises, their sustainability in the long term is based on the wider support systems which are not limited to financial aid. Most current literature in Zambia is based on program reports and short-term evaluation, which provide little information on the sustainability of enterprises and experiences of beneficiaries after the projects.

2.2.2 Experiences of Beneficiary Farmers and Implementers Regarding Implementation and Outcomes of Matching Grant–Funded Farming Enterprises

The empirical evidence on the topic of matching grants has shown that the beneficiaries tend to portray positive attitudes towards the aid they obtain, especially when the grants have facilitated the investment in productive assets and incomes generating activities. As an example, matching grant programmes have been evaluated in Africa with reports that the smallholders are appreciating grant funds as a means of improving access to productive inputs and market opportunities which creates better livelihoods outcomes to the groups and individuals who participate.

Nonetheless, some studies observe barriers that define the experiences of beneficiaries. There have often been shared co financing requirements that require farmers to invest a large share of the total investment, which has often been viewed as a burden particularly to poorer smallholders with less access to formal credit. This difficulty can either lock out the most in need or put a strain on the household budget, with grants programmes often relying on matching loans or strenuous individual contribution. (Naidoo & Khan, 2024)

Another common theme is training and technical assistance gaps. Although most of the matching grant schemes cover the business/technical skills development, the actual training service delivery is usually uneven. Where training is strong, beneficiaries cite enhanced skills that facilitate enterprise operations; where training is weak or is more procedural, farmers say they are ill equipped to cope with and grow their ventures. (Fallas Conejo & Sánchez, 2024)

Implementer and beneficiary experiences are also influenced by monitoring and follow up processes. It is reported that the lack of effective monitoring systems and post grant evaluation lowers programme accountability and learning. The absence of systematic monitoring of enterprise performance post grant disbursement gives implementers and beneficiaries little feedback on the long-term consequences and hence makes it hard to modify programme designs to become sustainable. (Ndombi et al., 2020)

The empirical studies of how and why matching grant-funded farming enterprises succeed or do not succeed once project support is withdrawn are also clearly lacking, especially through the lens of beneficiaries and implementers. This research fills this gap by qualitatively analyzing the sustainability issues of the matching of grant-financed farming enterprises in Zambia and adding to the discussion of aid effectiveness, agricultural development, and sustainable rural livelihoods.

III. METHODOLOGY

3.1 Research Design

The research design applied in the study was a qualitative constructivist research design, which enabled a deep study of the lived experiences, perceptions, and interpretations of government officers as well as smallholder farmers involved in the Matching Grant Facility. An abductive method was used to obtain a better insight into the experiences of participants and to formulate a subtle knowledge of programme implementation and outcomes.

3.2 Research Setting

The location of the study was Chipili a rural district in Luapula Province, Zambia. The district was chosen because it was actively involved in the matching grant programme and both smallholder farmers and government officers were involved in the programme. In this report, the actual identities of the participants have been anonymized in order to create confidentiality.



3.3 Sampling

Smallholder farmers and government officials who were directly involved in the Matching Grant Facility formed the study population. There were 19 Participants: 7 farmers, 4 provincial officers, and 8 district officers of Ministries of Agriculture, Livestock and Fisheries and Small and Medium Enterprise Development. The participants were selected through purposive sampling, considering their experience, exposure and direct involvement with the Matching Grant programme. This method was used to ensure that participants had the opportunity to give rich, relevant, and diverse views. Qualitative research principles, especially thematic saturation, was used to inform the sample size, where no new meaningful themes can be generated through further interviewing. The saturation occurred once 19 interviews were done because the same patterns about the financial, institutional, market, and administrative issues kept reappearing. To ensure that the institutional and program-level perspectives were captured, the study used the greater number of implementers, and farmers gave specific on-the-ground accounts.

3.4 Instrument and Data Collection

The data were gathered via semi-structured interview and focus group discussion. The guides to the interview and the focus group were constructed using the study aims and a literature review on the matching grant programmes. The pre-test was conducted on a small sample that was not part of the actual study to verify the clarity and validity of the instruments. The reliability was promoted through the adoption of protocols, prompts and procedures that were consistent throughout the interviews and focus groups.

The information was gathered within a six-week period (May to June 2025). The interviews with implementers were performed in the first place, then interviews with farmers and focus groups. This order enabled reflections of implementers to inform further investigation with farmers. The participants received information regarding the objectives of the study, signed a written consent form, and the interviews were held in a private, safe, and conducive environment. These steps assisted in the assurance of the richness and credibility of the gathered data.

3.5 Data Analysis

Data were analyzed using thematic analysis, which is a systematic and iterative approach. The first step was the repetitive reading of interview and focus group transcripts to familiarize with the data. In the preliminary coding, descriptive codes were assigned to meaningful parts of text based on major ideas and experiences shared by Participants. In the next step, codes were considered and categorized into larger groups using a similar method to axial coding and relationships between codes were determined. These groups were further narrowed down to broad themes that summarized the patterns that were repeated throughout the data. Themes were revisited and edited so as to guarantee internal soundness and very clear demarcation between the topics.

In order to increase analytical rigor, the emergent themes were continuously compared among the groups of the participants (farmers and implementers) to identify the points of similarity and distinctiveness in the views. Thematic analysis is an extensively popular method of revealing common patterns or themes in qualitative data. Formulated by Braun and Clarke (2022) this technique has been used in numerous academic fields in the quest to understand research topics in a better way.

3.6 Ethical Considerations

The University of Zambia Humanities and Social Research Ethics Committee (HSSREC) review number [REF NO. HSSREC-2024-NOV-017] granted ethical approval. Participants were requested to provide informed consent, and personal information identifiers were removed to ensure confidentiality.

3.7 Researcher's Reflexivity

All the researchers, but one, had some background in rural development work, including the work with smallholder farmers and programs in agriculture. This experience facilitated interpretation of the data since the team was in a position to know more about local farming methods, technical jargon, and program implementation issues. It also had a possibility of bias though, since researchers may have been influenced by their prior knowledge and experiences and stressed some of the challenges or interpreted the responses of the participants based on their assumptions about the Matching Grant Facility.

Some steps were implemented to reduce this risk. The research team maintained reflexive journals to record personal assumptions, reflections and possible biases following every interview and focus group. Throughout the data analysis process, team members would discuss their interpretations and critique the other member on their assumptions to ensure that the themes would be based on the actual responses of the participants and not on their own perceptions and ideas. Member checking involved sharing of initial findings with the participants to ensure that the experiences of the participants were accurately recorded. Moreover, the team made sure to take into account counter-intuitive or conflicting information, so that other possible explanations are discussed and noted. Such measures made the findings

more credible and unbiased and contributed to the fact that the conclusions were drawn not on the basis of the previous experiences or expectations of the researchers, but on empirical evidence.

IV. FINDINGS & DISCUSSION

4.1 Lack of Market Linkages and Unstable Markets

The study found that farmers faced major challenges due to poor market linkages and unstable markets. Participants from focus group discussions and key informant interviews reported limited access to market information, weak relationships with buyers, poor transport systems, and inadequate market infrastructure. These challenges made it difficult for farmers to sell their produce at good prices. Many farmers said they did not have reliable market information. This made it hard for them to decide when and where to sell their produce. Most farmers depended on rumours from the community. One participant said,

(PT 4) “I just rely on community rumours and speculation about buyers. I don’t have access to market information” (09/05/2025).

Because of this, farmers often missed better market opportunities and received low prices.

Farmers also reported weak relationships with buyers. Poor connections with bean buyers forced many farmers to sell to middlemen, usually at lower prices. One farmer explained,

(PT 11) “As farmers, we need to build strong relationships with bean buyers in order to access better markets” (15/05/2025). Another participant added,

(PT 12) “We don’t have market connections with bean buyers. Most of the time, we sell to middlemen who come from Mansa” (15/05/2025).

Transport and market infrastructure were also major problems. Poor road conditions and high transport costs made it difficult for farmers to take their produce to markets. One participant stated,

(PT 14) “It is not easy to move the produce to the market because the roads are bad and transport costs are high” (15/05/2025).

In addition, farmers reported that storage facilities at bulking centres were inadequate. The centres were mainly open slabs, which made it difficult to store beans for a long time. One participant noted,

(PT 6) “We need affordable transport services and proper storage facilities to make it easy for us to sell our produce” (10/05/2025).

The findings also showed that farmers struggled to find stable markets, especially after the grant period ended. Without support from group leaders or strong market networks, many farmers failed to secure reliable buyers. Some farmers said they took their produce to bulking centres, hoping leaders would find a market, but this did not happen. One farmer said,

(P2) “I took my beans to the bulking centre so that the leaders could look for a market, but nothing happened” (05/05/2025). A group leader also said,

(P1) “We looked for a reliable market with a reasonable price, but there was nothing” (05/05/2025).

Farmers further explained that unstable demand and price changes forced them to sell their produce at very low prices. This resulted in low profits and discouraged farmers from expanding their production. One participant said,

(P3). “If we can secure a reliable market with a good price, I can even increase my cultivation area of beans” (05/05/2025).

Previous studies support these findings and show that poor market linkages limit farmers’ income and growth. Research also shows that government support in creating market linkages can improve income, employment, and asset ownership for farmers (Hossain et al., 2022; Maina et al., 2024). This suggests that improving market information, strengthening buyer–farmer relationships, and investing in transport and storage facilities can help smallholder farmers access better markets and improve their livelihoods.

4.1.1 Lack of Certified Seed

Findings from the key informant interview and focus group discussion revealed that some farmers had difficulties in securing certified bean seed hence they had reused the seed from the previous season. Reliable access to certified seeds critical for consistent yields was often non-existent, forcing farmers to rely on inferior or untested alternatives.

P5. “There is no agro-dealer that sells beans seed in the district including the type of chemicals that were given under the matching grant program” (07/05/2025).

Then seed shortage is not only seen as a technical issue but one that threatens the livelihoods of farming communities. Research by Muteti et al. (2022) highlights that farmers realizing some profits even from low yields plant certified seeds and allot significant land portions for beans. This means that access to certified seeds might turn farming enterprises supported by matching grants into resilient and economically sustainable ventures. Therefore, the

accessibility of certified seeds is very crucial for the resolution of these issues. With this certification, farmers will be on their way to attaining consistent yields and income, thereby immensely contributing toward the long-term viability and success of matching-grant-supported farming operations.

4.1.2 Poor Exit Plans

The research Participant from the key informant interview and focus group discussion revealed that the project wrapped up abruptly, with no transition strategy to sustain farmers operations without grant support.

P 7 " We were just requested to submit a final report; my understanding is that the project was supposed to end later but ended earlier than planned" (10/05/2025).

This abrupt termination of the project left farmers stranded without market for their produce. This deviation from the original timeline increases the likelihood that, maybe due to changing priorities or unanticipated problems, the intended schedule was not be followed. Farmers who relied on ongoing support found themselves without the essential technical assistance needed to maintain their operations. Such a sudden termination could jeopardize the advancements achieved and damage the trust between the implementers and the community. A transition plan is essential for ensuring that the benefits of a project persist after formal support ceases. In the absence of this strategy, recipients may have a difficult time sustaining the improvements, which could result in declines in productivity and economic benefits. As emphasized by Ndombi et al. (2020), the sustainability of project outcomes is guaranteed by an exit strategy that allows for continued progress once the intervention has ended or external support has been withdrawn. Should an exit strategy not be included into the planning process, the program runs a great risk of being completed in a disorderly and unorganised manner as it shuts down.

4.1.3 Administrative and Process Challenges

In line with the main theme above, the findings from the key informant interview and focus group discussion revealed administrative and process challenges. Complicated and unwieldy application and disbursement processes delay access to funds and obstruct effective project implementation.

P16 ". There was a delay in the disbursement of funds due to compliance requirements" (13/06/2025).

P18 ". Farmers had difficulties in meeting the grant requirement and there is no bank in the district that slowed down the transaction processes" (19/06/2025).

Participants perceived administrative and process hurdles as a significant challenge to sustainability and failure of matching grant funded farming enterprises.

Research corroborates these observations by pointing out the detrimental effects of bureaucratic inefficiencies on rural funding systems. Kujala (2019) found that excessive bureaucracy within rural administration can lead to adverse outcomes, especially regarding EU-financed rural development initiatives. Likewise, Namaswa and Juma (2019) revealed that bureaucratic obstacles significantly affect fund disbursement in county governments in Kenya. They suggested policy revisions to mitigate these bureaucratic issues and speed up fund allocation. Their study emphasises how administrative procedures must be streamlined to ensure timely access to resources and enhance project execution. This includes not only making application forms simpler but also expediting money delivery.

4.1.4 Post-Grant Support Deficiencies

In line with the main theme above, the findings from the key informant interview and focus group discussion revealed post-grant deficiencies which gave birth to two subtheme lack of ongoing mentorship and follow-up support. The participants revealed that the lack of ongoing mentorship caused most of the farming enterprises to stagnate and cease operations.

P13 ", " Since the project ended, the farmer business schools which were established with the support of the grant are not active to provide mentorship" (15/05/2025).

The participants also revealed that the Lack of follow-up support after the grant period greatly contributed towards some farming enterprises to stagnate and cease operations.

P10 ". "The Extension officers or the district office has never visited me since the matching grant project ended" (15/05/2025).

The research findings highlight two critical post-grant deficiencies that have undermined the sustainability of farming enterprises: the absence of ongoing mentorship and the lack of follow-up support after the grant period. In parallel, previous research underscores the vital role that mentoring plays for entrepreneurs. For instance, research conducted by St-Jean and Tremblay (2020), on Mentoring for entrepreneurs: A boost or a crutch? Long-term effect of mentoring on self-efficacy found that mentoring can boost self-efficacy in opportunity recognition, especially for entrepreneurs with a low learning goal orientation. However, they caution that these benefits may be short-lived without sustained support. This corresponds with our discoveries, indicating that the short-lived nature of the mentoring impact noted in certain studies may be even more evident without structured, continuous support systems.



Inadequate Stakeholder Engagement

The results from the key informant interview indicated Insufficient Stakeholder Involvement. Participants revealed that the line ministry officials and local communities were *left out of the* project's design phase, only to be handed roles during implementation.

P18. "The line ministry officials and community are not involved in the design of the project but only in implementation" (19/06/2025).

The study results show that a major weakness of the matching grant project was the lack of adequate stakeholder engagement, as line ministry representatives and local communities were left out of the design stage and included only during the implementation phase. This method restricted the opportunity for significant involvement and ownership among those essential for the project's enduring success. This finding is backed by earlier studies. Adesida and Okunlola (2015), highlight the significance of promoting community engagement and participation in the design, planning, execution, and oversight of community projects to guarantee their sustainability. Their research indicates that when community members are involved from the beginning, projects are more prone to effectively meet local needs and maintain sustainability in the long run. Eidt et al. (2020) also emphasize that smallholder farmers frequently possess a constrained voice in agricultural innovation platforms, as powerful stakeholders usually influence the agenda to reflect their interests. This situation can lead to project designs that do not completely capture the requirements or context of all stakeholders. These results clearly show that increasing local input in the planning and decision-making cannot be avoided.

4.1.5 Weak Leadership and Intragroup Power Struggles

The key informant interviews and focus group discussions revealed weak leadership and intragroup power struggles as some of the major challenges facing farming enterprises. This challenge led to three sub-themes: poor leadership, infighting among members, dominance by some members, which all hampered collective ownership and proper management of a group.

Participants indicated that poor leadership has led to the collapse of certain farming enterprises particularly following the inability of the groups to find good markets. Leaders could not maintain members in line and this resulted in lack of a common direction and weakened group cohesion. According to one participant, *"our leaders could not join the group together once it could not find a market"* (P16) (19/06/2025). Moreover, the group leaders did not have the ability to negotiate better prices and deals with bean buyers which further undermined the performance of the groups.

There were also internal conflicts amongst the groups. Other farmers decided to sell their products individually rather than as one group, and this decreased the power of the group and mistrust among farmers. One of them described it as farmers opting to sell on a one-on-one basis rather than selling as a group and this undermines our bargaining power. *"Some farmers prefer selling individually instead of as a group, which weakens our bargaining power. This disagreement has created mistrust and division within the scheme"* (P4) (19/06/2025).

Another major problem was the dominance of a small section of the members in making the decisions. The participants stated that some members dominated the group resources and made decisions without consultations with other members. This created a sense of marginalization and discontentment among the common members. One Participant observed that some of them do all the decisions without involving the remainder of us. *"They take charge of the use and finances of the tractor that is purchased by the use of the same finances acquired in the matching grant, and they determine how the money is used, and the others feel marginalized"* (P13) (19/06/2025).

All in all, the results indicate that poor leadership and intra-group power conflicts have a substantial impact on the sustainability of farming businesses. Lack of leadership, intra-organizational conflict, and unequal power relations diminished the trust, cooperation, and collective action. These findings are supported by existing research, which states that intragroup power struggles and controlling power of powerful members may have negative effects on group results (Greer & Chu, 2020). Nevertheless, research indicates that shared decision-making may contribute to the minimization of conflicts and the establishment of balanced influence among groups. Likewise, a Tanzanian study on Participatory Forest Management revealed that when members were not adequately involved in the decision-making process and the systems of sharing benefits were not based on fairness, they became controlled by a few people in high positions, which led to dissatisfaction and poor management results (Magessa, 2020). These observations underscore the wider problem of ensuring that collective management and equitable governance in group farming enterprises are successfully attained.

4.1.6 Limited Access to Finance

The Participants also reported that lack of access to finances as another serious challenge post grant. They reported that it was difficulty in accessing credit and other financial services to support their farming enterprises.

PT 17. "There is no microfinance institution in the district that can lend you money to expand your farming enterprise" (19/06/2025).



The Participants identified limited access to finance as a key obstacle following the closure of the matching grant program. Many Participants experienced challenges in securing credit and other financial services essential for maintaining and growing their farming operations. A participant (PT 17) specifically pointed out the lack of microfinance institutions in the district, making it nearly impossible to obtain funds for agricultural investments. This finding echoes previous research on rural finance, which regularly underscores the barriers that smallholder farmers encounter in accessing credit, (Ullah et al., 2024). Research has demonstrated that financial exclusion in rural regions often stems from a mix of factors, such as the lack of financial institutions, strict loan conditions, and high-interest rates, which make borrowing unaffordable for small-scale farmers (Okrah Maku, 2024) The absence of such services hampers farmers' ability to expand their operations, adopt advanced technologies, or recover from financial setbacks.

V. CONCLUSION & RECOMMENDATION

5.1 Conclusion

This research paper discussed challenges that led to the failure of some agricultural businesses following the closure of the matching grant scheme in Chipili District in Zambia. The results indicate that the grants assisted farmers to start up and expand their business but many were unable to survive due to unstable markets, inability to procure certified seed, lack of access to finance, poor leadership in farmers groups, poor stakeholder involvement, bureaucracy and absence of strategies to sustain them after the project duration. These findings indicate that financial aid is not sufficient to sustain small agricultural enterprises. Institutional, market, and continuous training should also be supported.

The study is original, in that it presents comprehensive, qualitative evidence based on the observations of both farmers and government implementers of the numerous factors that influence the sustainability of matching grant-funded enterprises in rural Zambia. In contrast to the past studies which tend to consider short-term outcomes only, this study recognizes long-term obstacles to enterprise survival and the interaction between financial, institutional, social, and market-related challenges. It can also show the significance of post-grant assistance, competent management, and involvement of stakeholders as a way of supporting rural livelihoods. These findings provide useful suggestions to policymakers and implementers of programmes to build more effective matching grant interventions.

5.2 Recommendation

In order to enhance the success of matching grants, policymakers ought to ensure that programmes incorporate exit plans, enhanced access to the market, and provision of finance to small farmers. Programme implementers are supposed to make the administrative procedures simpler, release funds in time, and offer guidance and mentoring post-grant. Farmers ought to collaborate, enhance leadership among their groups, and improve relationships with buyers. Therefore, it is recommended that future studies should use longitudinal or quantitative approaches to assess the long-term sustainability of matching grant-supported enterprises in Zambia.

Declaration of Interest

The authors declare that they do not have any known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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