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Enabling poor rural people  
to overcome poverty

## President's report

### Proposed loan to the Republic of Zambia for the

### Smallholder Productivity Promotion Programme

#### Note to Executive Board representatives

Focal points:

Technical questions:

**Edward Heinemann**  
Acting Country Programme Manager  
Tel.: +39 06 5459 2398  
e-mail: e.heinemann@ifad.org

Dispatch of documentation:

**Deirdre McGrenra**  
Governing Bodies Officer  
Tel.: +39 06 5459 2374  
e-mail: gb\_office@ifad.org

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For: **Approval**

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## Abbreviations and acronyms

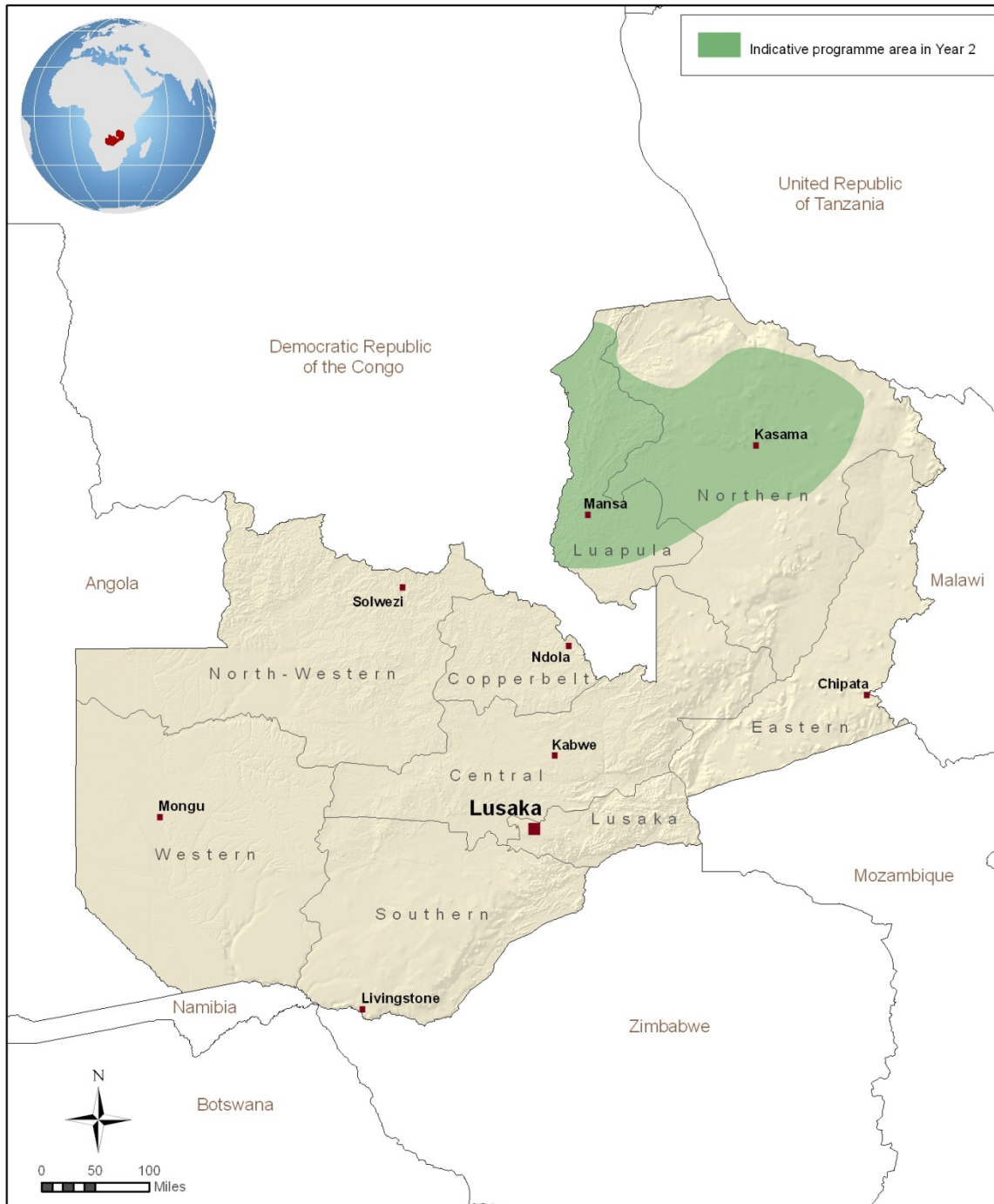
MACO	Ministry of Agriculture and Cooperatives
PMU	programme management unit
SAPP	Smallholder Agribusiness Promotion Programme
S3P	Smallholder Productivity Promotion Programme

# Map of the programme area

## Zambia

### Smallholder Productivity Promotion Programme

Design report



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD

## Republic of Zambia

### Smallholder Productivity Promotion Programme

#### Financing summary

<b>Initiating institution:</b>	IFAD
<b>Borrower:</b>	Republic of Zambia
<b>Executing agency:</b>	Ministry of Agriculture and Cooperatives
<b>Total programme cost:</b>	US\$39.9 million
<b>Amount of IFAD loan:</b>	SDR 15.45 million (equivalent to approximately US\$24.8 million)
<b>Terms of IFAD loan:</b>	40 years, including a grace period of 10 years, with a service charge of three fourths of one per cent (0.75 per cent) per annum
<b>Cofinancier(s):</b>	Finland/other
<b>Amount of cofinancing:</b>	US\$7.1 million
<b>Terms of cofinancing:</b>	Grant
<b>Contribution of borrower:</b>	US\$6.1 million
<b>Contribution of districts:</b>	US\$0.4 million
<b>Contribution of beneficiaries:</b>	US\$1.5 million
<b>Appraising institution:</b>	IFAD
<b>Cooperating institution:</b>	Directly supervised by IFAD

## Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed financing to the Republic of Zambia for the Smallholder Productivity Promotion Programme, as contained in paragraph 37.

## Proposed loan to the Republic of Zambia for the Smallholder Productivity Promotion Programme

### I. The programme

#### A. Main development opportunity addressed by the programme

1. A key element of the Government of Zambia's policy for agricultural development has been to promote the commercialization of smallholder agriculture, or "farming as a business". The IFAD-supported Smallholder Agribusiness Promotion Programme (SAPP), approved in 2009, supports the development of value chains of particular importance to poor smallholder farmers, while strengthening their capacity to participate in these value chains. The proposed Smallholder Productivity Promotion Programme will complement SAPP by enhancing the on-farm productivity of smallholder farmers in northern Zambia, thus enabling them to respond to the emerging market opportunities and improve the food security and nutritional status of their families.

#### B. Proposed financing

##### Terms and conditions

2. It is proposed that IFAD provide a loan to the Republic of Zambia in the amount of SDR 15.45 million (equivalent to approximately US\$24.8 million) on highly concessional terms to help finance the Smallholder Productivity Promotion Programme (S3P). The loan will have a term of 40 years, including a grace period of 10 years, with a service charge of three fourths of one per cent (0.75 per cent) per annum.

##### Relationship to the IFAD performance-based allocation system (PBAS)

3. The allocation defined for the Republic of Zambia under the PBAS is US\$25.4 million over the 2010–2012 allocation cycle. The programme will use US\$24.8 million of the allocation. The remaining US\$0.6 million will be used to finance activities related to innovation and knowledge management, using country-specific grant resources.

##### Relationship to national medium-term expenditure framework criteria

4. Zambia's medium-term expenditure framework (MTEF) is a three-year rolling plan: during the 2011–2013 period around 29 per cent of the national budget will be allocated to 'Economic Affairs', which includes the agricultural sector, and in 2012 about US\$300 million will be allocated specifically to the agricultural sector. All IFAD-supported projects in Zambia are on budget and consistent with the MTEF.

##### Relationship to national sector-wide approaches or other joint funding instruments

5. There is no sector-wide approach mechanism in the agricultural sector in Zambia. However, there is an Agricultural Cooperating Partners Group that meets regularly, of which IFAD is an active member.

##### Country debt burden and absorptive capacity of the State

6. Zambia received debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative in early 2006, bringing down its external debt-to-GDP ratio substantially, from 86 per cent in 2005 to 9 per cent in 2006. According to the latest World Bank/International Monetary Fund debt

sustainability analysis (2009), Zambia's risk of external debt distress remains low throughout the period 2009–2029.

#### **Flow of funds**

7. Funds from IFAD and Finland will be deposited into a designated account denominated in United States dollars and held at the Zambia Reserve Bank. The designated account will feed the Kwacha-denominated operations account, which will be used to pay contractors, suppliers and service providers, and to feed programme accounts at the provincial level.

#### **Supervision arrangements**

8. The programme will be directly supervised by IFAD.

#### **Exceptions to IFAD General Conditions for Agricultural Development Financing and operational policies**

9. No exceptions are foreseen.

#### **Governance**

10. The following planned measures are intended to enhance the governance aspects of the IFAD loan: (i) the recruitment of a procurement and contracts specialist and a financial management specialist; (ii) separate programme accounts, financial safeguard measures at the provincial level, and internal and external auditing of these accounts; (iii) the drawing up of a governance and anticorruption strategy at programme start-up; (iv) mechanisms for rural communities and groups to report any corruption they encounter; (v) awareness campaigns to ensure transparency, and wide participation in programme planning and monitoring; and (vi) IFAD's prior review of all major procurements and direct supervision.

### **C. Target group and participation**

#### **Target group**

11. The programme target group consists of around 60,000 smallholder farming households (with a cropped area of up to 5 hectares) already organized into groups and/or cooperatives or willing to join such groups. At least 80 per cent are below the poverty line. Many already devote part of their farming system to market-oriented production, while others remain semi-subsistence farmers who primarily grow food crops but occasionally sell surpluses. Over 50 per cent are women farmers.

#### **Targeting approach**

12. In line with IFAD's Policy on Targeting, the targeting strategy comprises: (i) geographic targeting: selecting districts that are important production areas for cassava and mixed beans and offer workable market opportunities for large numbers of poor smallholder farmers; and (ii) a self-targeting approach, focused on smallholder farmers who are already organized into farmer groups or are willing and have the potential to join such groups. Proactive gender targeting would be incorporated through a gender strategy.

#### **Participation**

13. The programme will focus on empowering producer groups and enabling them to better articulate their demand to extension and other service providers. It will also promote the participation of these groups in the prioritization and planning of research and extension activities and the prioritization of local agricultural investments, as well as in reviews of implementation progress.

## **D. Development objectives**

### **Key programme objectives**

14. The programme goal is that income levels and food and nutrition security are sustainably improved for poor agricultural households in the target areas. Its development objective, through which the goal will be achieved, is to sustainably increase the production, productivity and sales of smallholder farmers.

### **Policy and institutional objectives**

15. The programme will support the efforts of the Ministry of Agriculture and Cooperatives (MACO) to: (i) focus its research on priority issues for smallholder farmers in northern Zambia; (ii) strengthen the linkages between agricultural extension and research; (iii) appropriately tailor its approaches for extension; (iv) coordinate external donor-financed initiatives, learn from them and integrate positive features into its approach; (v) strengthen its capacity for planning, managing and delivering farmer services; and (vi) develop approaches for promoting, regulating and monitoring service provision by non-government actors.

### **IFAD policy and strategy alignment**

16. The programme will support the achievement of the overarching goal of the IFAD Strategic Framework 2011–2015. Its activities fit within the strategic objectives that underpin the framework and are consistent with its thematic areas of engagement and eight principles of engagement. The programme also responds directly to the second strategic objective of the draft country strategic opportunities programme (COSOP) 2011–2015: that access to and use of technologies and services for the enhanced productivity, sustainability and resilience of smallholder production systems are increased.

## **E. Harmonization and alignment**

### **Alignment with national priorities**

17. The main thrusts of the Government's National Agricultural Policy 2004–2015 are increased production, sector liberalization, commercialization, promotion of public-private partnerships and provision of effective services that will ensure sustainable agricultural growth. The programme will support the Policy, and it is consistent with the Sixth National Development Plan 2011–2015 and the Comprehensive Africa Agriculture Programme (CAADP) Compact that Zambia signed earlier this year.

### **Harmonization with development partners**

18. IFAD is a signatory to the 2007 Joint Assistance Strategy for Zambia; it is a member of the United Nations Country Team; and it actively participates in the Agricultural Cooperating Partners Group. The programme will be cofinanced with the Government of Finland, and it will collaborate in particular with the Finnish-financed Programme for Luapula Agricultural and Rural Development and the European Union-financed Performance Enhancement Programme. It will also be closely linked, through a series of specific operational mechanisms, with SAPP.

## **F. Components and expenditure categories**

### **Main components**

19. The programme has two components: (i) sustainable smallholder productivity growth, to support the strengthening of farmer organizations and their federations, the emergence of pluralistic participatory extension systems, and agricultural research for development; and (ii) enabling environment for productivity growth, to finance local agricultural investments and support the policy and planning framework. It also includes programme management, monitoring and evaluation (M&E).

### **Expenditure categories**

20. There are five expenditure categories: (i) equipment and materials (17 per cent); (ii) civil works (1 per cent); (iii) local agricultural investments (26 per cent); (iv) services, technical assistance and studies (37 per cent); and (v) training and workshops (19 per cent). These include recurrent costs of around 11 per cent.

## **G. Management, implementation responsibilities and partnerships**

### **Key implementing partners**

21. The key implementing partner will be MACO as the lead programme agency. Partnerships are also envisaged with: (i) other Government and/or donor-supported programmes and initiatives; (ii) private/non-Government initiatives (public-private partnerships) that target smallholder producers; (iii) national and international research organizations that can work together on the development of appropriate technologies; and (iv) a range of farmer organizations at the national and local levels.

### **Implementation responsibilities**

22. A programme management unit (PMU), reporting to the Director of the Policy and Planning Department of MACO and guided by an already-established multistakeholder programme steering committee, will be responsible for coordinating programme activities. MACO will have overall implementation responsibility at the national, provincial and district levels. Non-governmental organizations and private sector companies will also be contracted to provide services to smallholder farmers.

### **Role of technical assistance**

23. The PMU will be staffed by locally recruited technical assistants, with individual experts in key management and technical areas based either in Lusaka, for enhanced collaboration with MACO, SAPP and other development partners, or in the programme provinces.

### **Status of key implementation agreements**

24. The programme implementation manual will define operational procedures and guide implementation of programme activities. Specific agreements with partners and contractors will be developed during the course of implementation. These will be finalized by the PMU.

### **Key financing partners and amounts committed**

25. The total programme cost is US\$39.9 million over seven years. The financing sources are foreseen as follows: IFAD (62 per cent); Finland (18 per cent); the Government (15 per cent); beneficiaries (4 per cent); and the districts (1 per cent).

## **H. Benefits and economic and financial justification**

### **Main categories of benefits generated**

26. Some 60,000 smallholder households would benefit directly from the programme. Improved agricultural technologies and practices, combined with enhanced local agricultural infrastructure, would result in higher incomes and greater food security. Other households beyond the programme area would benefit indirectly from the spread of the agricultural technologies developed under the programme.

### **Economic and financial viability**

27. The financial and economic benefits associated with the programme derive from substantially increased levels of production of cassava, mixed beans/groundnuts and rice. These result in a 300 per cent increase in net household incomes and an internal economic rate of return for the programme as a whole of 14 per cent.



## **I. Knowledge management, innovation and scaling up**

### **Knowledge management arrangements**

28. Knowledge generated will be identified, analysed and documented to enable the programme to respond to changing circumstances and thus achieve greater development impact. Emerging lessons and experience will also support capacity-building, institutional strengthening and evidence-based policy reform. Developing the knowledge management system, the responsibility of the M&E specialist, will involve: (i) design of an appropriate monitoring and documentation system, and of appropriate institutional arrangements; (ii) monitoring, evaluation and documentation; (iii) information management; (iv) communication; and (v) knowledge-based decision-making and policy dialogue.

### **Development innovations that the programme will promote**

29. The programme will promote both institutional and technological innovations. The research activities will develop improved varieties and appropriate equipment, and adapt conservation agriculture techniques to the agroecological conditions and farming systems of northern Zambia. The extension activities will promote market demand, rather than technology supply, as the basis for supporting on-farm production, and assist the Government of Zambia in developing partnerships and contractual arrangements with the private sector and civil society for agricultural service delivery.

### **Scaling-up approach**

30. The programme will scale up extension methodologies and approaches already proven at the local level; its experiences with these, and with public-private partnerships and contracts for the delivery of agricultural services, will provide lessons that can be scaled up to the national level.

## **J. Main risks**

### **Main risks and mitigation measures**

31. The programme faces two main risks: (i) the continued weakness of produce markets in the programme area and a consequent lack of production incentives; and (ii) the limited implementation and management capacity of MACO. The planned mitigation measures include: (i) the strong operational linkages that would be established between S3P and SAPP; and (ii) the support provided through the PMU, capacity-building for MACO staff, and regular supervision and implementation support from IFAD.

### **Environmental classification**

32. Pursuant to IFAD's environmental assessment procedures, the programme has been classified as a Category B operation in that it is not likely to have any significant negative environmental impact.

## **K. Sustainability**

33. Increases in agricultural productivity are expected to be sustained, driven by expanded smallholder engagement in agricultural markets. Smallholders will also be better organized, and more able to demand quality support services and link up with government, private and farmer-managed service providers.

## **II. Legal instruments and authority**

34. A programme financing agreement between the Republic of Zambia and IFAD will constitute the legal instrument for extending the proposed financing to the borrower. A copy of the negotiated financing agreement is attached as an annex.
35. The Republic of Zambia is empowered under its laws to receive financing from IFAD.
36. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Lending Policies and Criteria.

### **III. Recommendation**

37. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall make a loan on highly concessional terms to the Republic of Zambia in an amount equivalent to fifteen million four hundred and fifty thousand special drawing rights (SDR 15,450,000), and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Kanayo F. Nwanze  
President

## Negotiated financing agreement: "Smallholder Productivity Promotion Programme"

(Negotiations concluded on 8 September 2011)

Loan Number: \_\_\_\_\_

Grant Number: \_\_\_\_\_

Programme Title: Smallholder Productivity Promotion Programme (the "the Programme")

The Republic of Zambia (the "Borrower/Recipient")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

hereby agree as follows:

### Section A

1. The following documents collectively form this Agreement: this document, the Programme Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2), and the Special Covenant (Schedule 3).
2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, as may be amended from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement, except for the provision identified in Section E paragraph 4 below. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein.
3. The Fund shall provide a Loan and a Grant to the Borrower/Recipient (the "Financing"), which the Borrower/Recipient shall use to implement the Programme in accordance with the terms and conditions of this Agreement.
4. The Grant shall be provided from the proceeds of supplementary funds provided to the Fund by the Republic of Finland.

### Section B

1.
  - A. The amount of the Loan is SDR 15.45 million
  - B. The amount of the Grant is Euro 4.787 million.
2. The Loan is granted on highly concessional terms.
3. The Loan Service Payment Currency shall be the US Dollar.
4. The first day of the applicable Fiscal Year shall be 1 January.
5. Payments of principal and service charge shall be payable on each 1 June and 1 December.

6. There shall be an Operations Account for the benefit of the Programme Management Unit in a Commercial Bank.

7. The Borrower/Recipient shall provide counterpart financing in the form of exemptions for the Programme to cover all duties and taxes in the amount of approximately US\$ 6.1 million.

### **Section C**

1. The Lead Programme Agency shall be the Ministry of Agriculture and Cooperatives (MACO).

2. Additional Programme Parties include but are not limited to service providers and institutions mentioned in Schedule 1.

3. The Programme Completion Date shall be the seventh anniversary of the date of entry into force of this Agreement.

### **Section D**

The Loan and Grant will be administered and the Programme supervised by the Fund.

### **Section E**

1. The following are designated as additional grounds for suspension of this Agreement: the Programme Manager shall have been removed from the Programme without the prior concurrence of the Fund.

2. The following is designated as an additional general condition precedent to withdrawal: the Borrower/Recipient shall have opened an account designated for the purpose of receiving advance withdrawals from the Loan and Grant Accounts denominated in US dollars in a bank acceptable to the Fund.

3. The following is designated as an additional specific condition precedent to withdrawal: disbursement under sub-component 2.1 will commence only once operational procedures for the identification, design, approval and management of Local Agricultural Investments satisfactory to the Fund have been approved.

4. As an exception to Section 4.01 of the General Conditions, amounts shall be credited to the Grant Account only when they have been received from the Republic of Finland.

5. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Fund:

Kanayo F. Nwanze  
President  
International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

For the Borrower/Recipient:

Situmbeko Musokotwane  
Minister of Finance and  
National Planning  
PO Box 50062  
Chimanga Road  
Lusaka, Zambia

This agreement, dated \_\_\_\_\_, has been prepared in the English language in six (6) original copies, three (3) for the Fund and three (3) for the Borrower.

\_\_\_\_\_  
For the Fund

\_\_\_\_\_  
For the Borrower/Recipient

## Schedule 1

### *Programme Description and Implementation Arrangements*

#### I. Programme Description

1. *Target Population.* The Programme shall benefit 60,000 smallholder farming families in three provinces of Zambia (the "Programme Area").
2. *Goal.* The goal of the Programme is that income levels, food and nutrition security are sustainably improved for poor agricultural households in the target areas.
3. *Objectives.* The objectives of the Programme are that the crop production, productivity and sales of smallholder farmers in the target areas are sustainably increased.
4. *Components.* The Programme shall consist of the following Components:

##### i. Sustainable smallholder productivity growth

*Sub-component 1.1:* Strengthening farmer organizations and their federations, which seeks to strengthen membership-based farmers associations and cooperatives, and their federations at camp and district level, to improve and diversify the offer of services to farmers;

*Sub-component 1.2:* Pluralistic participatory extension systems, which aims to improve the access, quality and sustainability of advisory services available to smallholders in the target areas

*Sub-component 1.3:* Agricultural research for development, to complement on-going initiatives to strengthen strategic on-station and on-farm research capacities and so broaden the technology options for increased smallholder productivity.

##### ii. Enabling environment for productivity growth

*Sub-component 2.1:* Local agricultural investments, which should improve access to markets, increase labour productivity, reduce post-harvest losses, improve land and water management, or facilitate access to knowledge

*Sub-component 2.2:* Support to the policy and planning framework, supporting MACO's Policy and Planning Department to manage flows of information and communication and undertake policy reviews, and providing opportunities to learn from relevant experience

*Sub-component 2.3:* Programme management, monitoring and evaluation.

#### II. Implementation Arrangements

5. The Programme shall be overseen by a Programme Steering Committee (PSC), managed by a Programme Management Unit (PMU), and implemented by MACO and a variety of non-government partners and service providers.
6. The same PSC that has already been established for the Smallholder Agribusiness Promotion Programme (SAPP) will provide overall policy and and technical direction and guidance to the Programme. Chaired by the Permanent Secretary MACO, it includes representatives of the relevant MACO departments; Ministry of Finance and National Planning (MFNP); Ministry of Commerce, Trade and Industry (MCTI); Ministry of Local Government and Housing (MLGH); Farmers Organizations (such as the Zambia National

Farmers Union, ZNFU) and Industry Organizations (such as the Cassava Sub-sector Committee), relevant to the selected commodities or sectors. Its main responsibilities shall include: (a) to review and approve the annual work plan and budget, large agricultural investments proposed for financing under the programme, progress reports, the annual financial statements and the external auditor's report; (b) to provide policy and strategic guidance to the PMU and implementing agencies (within and outside government); (c) to monitor implementation progress and impact; and (d) to make specific recommendations for follow-up, which the Programme Management Unit (PMU) shall be accountable for delivering. The PSC shall meet at least quarterly.

7. MACO, and specifically its Policy and Planning Department (PPD), shall be the Lead Programme Agency. This role shall involve: (a) taking overall implementation responsibility; (b) convening the PSC; (c) managing changes in Programme direction; (d) chairing the Country Programme Management Team (established as the Programme Development Group during the design phase), to offer a platform for technical advice, guidance and knowledge management, and provide an opportunity for the PMU to engage with key ministries, representatives of farmers' organizations and the private sector; (e) recruiting the staff of the PMU; and (f) ensuring coordination with other on-going Development Partner support in the sector.

8. A dedicated PMU, located within PPD, shall be responsible for managing the Programme. It shall be led by a Programme Manager who shall report to the Director PPD, and shall include a Financial Management Specialist; a Procurement and Contracts Specialist; a Planning, Monitoring and Evaluation/Knowledge Management/Communication Specialist; a Research for Development Specialist; an Extension Methodology Specialist; one Facilitator in each of the three Programme provinces; and a Local Agricultural Investments Manager. The PMU staff shall be appointed by MACO, subject to prior approval by the Fund, for an initial two-year period with possibility of renewal subject to satisfactory performance evaluation by MACO and the Fund. All staff shall be recruited through a competitive process conducted in accordance with procurement guidelines, with posts open to qualified candidates from the public and private sector. If a civil servant is selected, he/she must either resign or obtain a leave without pay from the Government and be hired on a contract basis through direct recruitment following open competition procedures. Employment contracts should include a clause enabling termination due to unsatisfactory performance.

9. The PMU will draw on management procedures that will be documented in a Programme Implementation Manual (PIM). A complete draft of the PIM shall be prepared prior to Programme start-up, and it will be finalised by the PMU during the first quarter of Programme Year 1. Among other things, the PIM shall define the criteria for selecting the districts and camps to be covered under the programme (which are then reflected in the AWPBs); it shall include detailed operational guidelines and procedures for the Local Agricultural Investments; and it shall also include a gender strategy, which defines the operational measures to be taken to promote gender mainstreaming and women's empowerment under the programme.

## Schedule 2

### *Allocation Table*

1. *Allocation of Loan and Grant Proceeds.* The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the Grant and the allocation of the amounts of the Loan and the Grant to each Category and the percentages of expenditures for items to be financed in each Category:

Category	Loan Amount Allocated (expressed in SDR)	Grant Amount Allocated (expressed in SDR)	Percentage (All amounts net of taxes)
I. Equipment and material	2 390 000	753 000	100%
II. Civil works	180 000	57 000	100%
III. Grant Financing for Local Agricultural Investments	3 370 000	1 063 000	100% net of contribution by beneficiaries and districts
IV. Services: TA and studies	5 205 000	1 641 000	100%
V. Training and workshops	3 180 000	1 002 000	100%
Unallocated	1 125 000	271 000	
<b>TOTAL</b>	<b>15 450 000</b>	<b>4 787 000</b>	

2. *Apportionment of Expenditures.* Eligible expenditures in categories I to V shall be apportioned pro rata between the Loan and the Grant amounts allocated above.

3. *Definition.* "Unallocated" means proceeds retained to cover physical and price contingencies.

4. *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs (in Categories I, IV and V) incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of SDR 500 000.

5. *Grant Account.* Withdrawals may be made from the Grant Account only to the extent that funds have been received by the Fund. If at any time the amounts available in the Grant Account are not adequate to implement the Programme in accordance with the Table above, the Fund shall reallocate and reduce the amounts in the Table in accordance with Section 4.07 of the General Conditions as required.



**Schedule 3***Special Covenant*

1. *Tax Exemption.* The Borrower/Recipient shall, to the fullest extent possible, exempt the proceeds of the Loan and Grant from all taxes. Any taxes which the Programme is nonetheless obliged to pay shall be promptly reimbursed by the Borrower/Recipient.

## Key reference documents

### Country reference documents

Zambia Comprehensive Africa Agriculture Development Programme Compact to support the successful implementation of the National Agricultural Policy and the Vision 2030 through National Development Plans, January 2011

Sixth National Development Plan, 2011–2015 “Sustained Economic Growth and Poverty Reduction” January 2011

National Agricultural Policy (2004–2015), Ministry of Agriculture and Cooperatives, October 2004

2011–2013 Medium Term Expenditure Framework and the 2011 Budget; Green Paper, Ministry of Finance and National Planning, August 2010

Poverty Trends Report, 1996–2006, Central Statistical Office, July 2010

Taxation in Zambia: An Overview; Zambia Revenue Authority, 2009

OECD-DAC Joint Venture on Procurement; Country Pilot Programme Zambia “Assessment Of Public Procurement System”; Zambia National Tender Board 2007

### IFAD reference documents

S3P project design report (PDR) and key files

SAPP PDR and key files

Draft COSOP, 2011-2015

Draft Programme Completion Report Validation, Smallholder Enterprise and Marketing Programme, December 2010, Independent Office of Evaluation

Forestry Resource Management Project, Project Completion Report, Ministry of Tourism, Environment and Natural Resources, 2008

### Other miscellaneous reference documents

Capacity of the Ministry of Agriculture and Cooperatives (MACO) and the Ministry of Livestock and Fisheries (MLF) and their Provincial and District structures in Luapula - *Final Draft Report*; Tim Cammack & Dan Nicolau, for FCG Finnish Consulting Group, 28th February 2010

2009 In-Depth Vulnerability and Needs Technical Assessment Report, The Zambia Vulnerability Assessment Committee, June 2009

Agriculture Support Programme 2003 – 2008 End of Programme Report; Ramboll / SIDA

Programme for Luapula Agriculture and Rural Development, Project Completion Report, February 2011

Programme For Luapula Agricultural And Rural Development, Programme Document Phase II 2011–2015, September 2010

## Logical framework

Results Hierarchy	Indicators	Means of Verification	Assumptions
<b>GOAL:</b> Income levels and food and nutrition security sustainably improved for poor agricultural households in project area	Up to 48,000 smallholder farmers (80% of direct beneficiaries) achieve at least one of: increase in HH asset ownership; increase in HH savings; reduction in prevalence of child malnutrition; reduction in food insecurity	RIMS; baseline, and completion surveys; Zambia Central Statistical Office	
<b>DEVELOPMENT OBJECTIVE:</b> Production, productivity and sales of smallholder farmers in target areas sustainably increased	Yields of selected crops of 30,000 farmers increased >30%; quantities of selected crops marketed by 40,000 smallholder HHS increased >20%; vulnerability to climatic variation of 10,000 farms reduced	MACO/CSO surveys; baseline and end of programme surveys	Stable prices; effective targeting includes poorer households
<b>OUTCOMES</b>			
<b>Component 1: Sustainable Smallholder Productivity Growth</b>			
Targeted smallholder farmer groups and organizations informed, organized and empowered to respond to market and agricultural development opportunities	20,000 farmers (M/F) actively involved in farmer groups, cooperatives, etc; 100 farmer groups linked to financial service providers; 30% of leadership positions held by women	MACO M&E data; S3P reports, surveys and impact assessments studies; ZARI reports	Agricultural technologies offer opportunities to sustainably increase production and productivity
Smallholders in target areas have improved access to more pertinent and effective advisory services delivered by MACO and/or private sector	80% farmers participating in PEA/FFS-type groups satisfied with advisory services; 80% FFS participants adopting improved seed, planting material and/or cultural practices; 5 public-private partnerships established in target areas	MACO M&E data; S3P reports, surveys and impact assessments studies; ZARI reports	SAPP operating effectively and successfully on key agricultural value chains
Agricultural research and seed multiplication services respond to farmer needs, with: improved crop varieties, land and crop management practices, and labour saving tools/equipment	45,000 farmers adopting improved crop varieties; 30,000 farmers adopting conservation agriculture, agro-forestry and/or improved cropping practices; 5,000 farmers and their families adopting labour saving equipment	MACO/CSO surveys; baseline and end of programme surveys; ZARI and SCCI reports	Research - extension link operational
<b>Component 2: Enabling Environment for Productivity Growth</b>			
Improved agricultural and rural infrastructure and improved access to productivity enhancing works/equipment	40 operational district-level agricultural investments; 350 operational community-level agricultural investments; 500 group-level agricultural investments	S3P annual reports; SNDP reports	Districts, communities and groups willing/able to co-finance agricultural investments
Improved public policy and planning environment for sustainable productivity growth and expanded farmer integration in agricultural markets	3 changes in policies resulting from policy reviews and studies, related workshops and lessons learning visits	Policy reviews and studies	Policy processes driven by technical as well as political considerations
Effective implementation capacity, knowledge management, programme coordination, results measurement and reporting	Unqualified financial and technical audits; timeliness and adequacy of annual work plans, budgets and reports; disbursement rate <10% variance from profile	Audit reports; S3P periodic reports	PMU adequately staffed and supported