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Investing in rural people

President's report

Proposed loan and grant to the Republic of Zambia for the Enhanced Smallholder Agribusiness Promotion Programme

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For: Approval

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Appendices

Abbreviations and acronyms

E-SAPP	Enhanced Smallholder Agribusiness Promotion Programme
E-SLIP	Enhanced Smallholder Livestock Investment Programme
MoA	Ministry of Agriculture
M&E	monitoring and evaluation
MGF	matching grant facility
PCO	programme coordination office
SAPP	Smallholder Agribusiness Promotion Programme
ZMW	Zambian kwacha

Map of the programme area

Republic of Zambia

Enhanced Smallholder Agribusiness Promotion Programme

IFAD

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 | 14-01- 2016

Republic of Zambia

Enhanced Smallholder Agribusiness Promotion Programme

Financing summary

Initiating institution:	IFAD
Borrower:	Republic of Zambia
Executing agency:	Ministry of Agriculture
Total programme cost:	US$29.672 million
Amount of IFAD loan:	SDR 15.5 million (equivalent to approximately US$21.25 million)
Amount of IFAD grant:	SDR 0.74 million (equivalent to approximately US$1.01 million)
Terms of IFAD loan:	Highly concessional: Maturity period of 40 years, including a grace period of 10 years, with a service charge of 0.75 per cent per annum
Cofinancier(s):	Private sector, Indaba Agricultural Policy Research Institute (IAPRI), Platform for Agricultural Risk Management (PARM)
Amount of cofinancing:	Private sector: US$3.46 million IAPRI: US$0.51 million PARM: US$0.20 million
Terms of cofinancing:	Private sector: partners' contribution PARM: grant IAPRI: In-kind technical assistance.
Contribution of borrower:	US$2.01 million
Contribution of beneficiaries:	US$1.23 million
Appraising institution:	IFAD
Cooperating institution:	Directly supervised by IFAD

Recommendation for approval

The Executive Board is invited to approve the recommendation for the proposed financing to Republic of Zambia for the Enhanced Smallholder Agribusiness Promotion Programme, as contained in paragraph 55.

Proposed loan and grant to the Republic of Zambia for the Enhanced Smallholder Agribusiness Promotion Programme

I. Strategic context and rationale

A. Country and rural development and poverty context

1. Zambia is a landlocked country covering 752,618 km^2 with a population of 16 million. Over 70 per cent are aged under 30 and the population grows at 3 per cent per year. While Zambia attained lower-middle-income country status in 2011, inequalities remain very high and poverty reduction has been slow.

2. During the 2010-2014 period, gross domestic product (GDP) grew at an average of 7 per cent. However, growth fell to 5 per cent in 2014 and 3 per cent in 2015, largely due to lower copper prices and power outages. The Zambian kwacha (ZMW) has undergone depreciation, from around ZMW 5.5/US$ in 2012 to ZMW 10/US$ in 2016.

3. Widespread and extreme rural poverty and high unemployment remain significant challenges. Over 50 per cent of Zambians live below the poverty line and 41 per cent in extreme poverty. At 77 per cent, poverty in rural areas is three times higher than in urban areas.

4. Agriculture and agroprocessing account for approximately 40 per cent of GDP and 12 per cent of exports, with agricultural production contributing approximately 21 per cent to GDP. Zambia has abundant arable land that is relatively fertile and experiences good rainfall. The agriculture sector has a dual structure, comprising: a small number (approximately 740 households) of large commercial farmers and approximately 50,000 emerging commercial farming households; and approximately 1.5 million smallholder farming households. There is a large productivity gap between the commercial and smallholder subsectors. Bridging this gap and linking farmers to expanding markets has major potential to drive rural economic growth and poverty reduction.

B. Rationale and alignment with government priorities and RB-COSOP

5. Connecting smallholder farmers to the flourishing agribusiness sector will allow IFAD's target group to share in the rising prosperity enjoyed in urban areas and the rapidly growing demand for high quality food.

6. Zambia is plagued with a high level of child malnutrition, with stunting rates at 50 per cent and 46 per cent in rural and urban areas, respectively.[1] Further investment to support smallholder farmers is required to reduce poverty and increase food and nutrition security. The Government favours the commercialization of small-scale agriculture as a major driver of rural poverty reduction. Agribusiness is encouraged to strengthen linkages between smallholder farmers and consumers through increased private sector participation in service delivery, such as in input

[1] Central Statistical Office – 2015 Living Conditions Monitoring Survey Key Findings.

supply, output marketing and agroprocessing. This calls for improved quality, reliability and scale of production, especially from small and medium agricultural enterprises. The policy framework promotes self-reliance among farming households and encourages the development of partnerships among farmers, government and the private sector.

7. The ongoing Smallholder Agribusiness Promotion Programme (SAPP) is making significant progress towards smallholder commercialization and agribusiness promotion. According to the SAPP 2015 midterm review (MTR), 26 per cent of sampled households reported increased sales of agricultural commodities averaging 64 per cent per household. Approximately half of households reported increased selling prices, while 98 per cent reported increased value of sales, and 69 per cent increases due to value addition. Approximately a quarter of the sampled households benefited from improved market linkages, while 69 per cent accessed extension services in business-related issues. Household ownership of assets increased for 55 per cent of those sampled.

8. The SAPP MTR identified a number of lessons that would improve effectiveness and inform the design of the proposed Enhanced Smallholder Agribusiness Promotion Programme (E-SAPP):

   (a) The need to forge commercial linkages between smallholders and emerging commercial farmers and higher level value chain actors rather than rely on the service provider model, which has proven costly and not very effective.

   (b) The need to decentralize operations and rationalize institutional arrangements within existing structures.

   (c) The need to improve the skills of smallholder farmers and small and medium-sized enterprises to identify business opportunities, develop business plans and negotiate with private sector value chain actors.

   (d) The potential of matching grant facilities (MGFs) to leverage significant investments from the private sector when large enough to attract interest.

9. Under SAPP, the matching grant uptake was initially slow because: (a) the development of grant guidelines was a protracted process; (b) the guidelines were found to be too complex and some potential partners were deterred from submitting applications; (c) the technical service provider used had no presence close to the beneficiaries and had to rely on subcontracting; (d) a lack of involvement of district staff meant there was limited knowledge about the grants at district level; (e) when SAPP eventually involved district staff, they did not have the capacity to advise communities in developing fundable proposals; (f) the beneficiary cash contribution of 10 per cent deterred applications; and (g) potential applicants for “large” grants found the size of these grants too small to attract their interest.

10. E-SAPP will focus on building strong and sustainable partnerships aimed at facilitating the transformation from subsistence farming to farming as a business. The programme will build on SAPP’s achievements in developing sustainable and profitable partnerships connecting farmers to commercial opportunities.

II. Programme description

A. Programme area and target group

11. E-SAPP has a multiple commodity focus and nationwide coverage. The selection of the commodities will define the geographic focus of interventions. The programme will focus on three commodity groups: (a) legumes (groundnuts, soybeans, beans and cowpeas); (b) small livestock (poultry, goats, sheep and pigs); and (c) rice. These were selected on the following basis: (a) over 70 per cent of smallholders produce these commodities as both food and cash crops; (b) the commodities have

significant nutritional benefits; (c) they help fill the seasonal hunger period; (d) they have high potential for commercialization through partnerships with the private sector, efficiency gains and value addition; (e) there is a high level of interest among market intermediaries; and (f) there is potential to deliver quick results. However, the larger grants under the public-private-producer partnerships (4Ps) facility will not be restricted to the above value chains or regions.

12. Target group: The Government classifies Zambia’s 1.5 million smallholder farming households in three categories. Category A (subsistence farmers) will form the majority of the target group. Category B (economically active) and C (commercially oriented farmers) will also be targeted to help develop the programme’s agribusiness linkages, considering that they are already producing a surplus for the market. The programme will work with approximately 40,000 category A, 16,000 category B and 5,000 category C households.

B. Programme development objective

13. The programme development objective (PDO) of E-SAPP is to increase the volume and value of agribusiness outputs sold by smallholder producers. The programme goal is to increase the incomes and food and nutrition security of rural households involved in market-oriented agriculture. This underlines the central importance of food and nutrition in efforts to improve the lives of the rural population, but also the ambition to reach beyond basic needs and increase incomes to enable households to improve dwellings, send children to school and invest in agriculture.

C. Components/outcomes

14. The PDO will be achieved through three technical components.

15. Component 1: Enabling environment for agribusiness development will help to establish an enabling policy and institutional environment for commercially oriented agriculture and rural development. It will advance the capacity-building work initiated by SAPP and help to address risk management issues. In addition, subsector policies will be reoriented to integrate climate risk management.

16. Component 2: Sustainable agribusiness partnerships will build the capacity of smallholders and their service providers to compete for, and implement, matching grants. This is a key success factor to facilitate the integration of smallholder farmers within value chains, promote their engagement in the MGF process and improve their productivity, incomes and nutritional outcomes. This will be achieved through nutritional education and training on farming as a business, as well as extending and strengthening SAPP’s MGF experience within a 4P framework. There will be three MGF windows: linkage of graduating subsistence farmers to markets; enhancing micro, small and medium-sized agroenterprise (MSME) development; and facilitating pro-smallholder agribusiness partnerships. They will support interventions on the supply and demand sides alike to increase output, productivity, quality and resilience.

17. Component 3: Programme implementation will be conducted through a programme coordination office (PCO). E-SAPP will finance, in addition to the planned activities, the PCO costs, office equipment, office consumables, and vehicles and associated maintenance costs. It will provide PCO staff salaries, training and technical assistance to address specific needs. The PCO will be responsible for coordinating and monitoring programme activities, including: financial management and reporting; procurement; the preparation of annual work plans and budgets (AWPBs); and monitoring and evaluation (M&E)/knowledge management. The PCO will conduct annual AWPB review meetings, annual outcome surveys, biannual implementation reviews and annual knowledge-sharing workshops. Results and learning-oriented reporting will be based on inputs from beneficiaries and implementing partners.

III. Programme implementation

A. Approach

18. Based on lessons learned from SAPP, the entry point for target clients will be the market intermediaries. The focus will be on a “market pull” approach rather than “supply push” approach. Market intermediaries include output off-takers, input marketing, service provision and commodity associations. The 4P clients will be larger agribusinesses, with the exclusion of commodities such as maize that are heavily supported by the Government and other development partners. MSMEs will also be targeted, especially in developing linkages with category B and C households. The market intermediaries are the primary partners of E-SAPP, with the smallholders as the beneficiaries. This approach offers opportunities for sustainable scaling up and replication on the basis of commercial incentives.

19. E-SAPP will adopt a whole value chain approach to improve the economic surplus by identifying areas where efficiency, productivity and quality can be improved. It will use government institutions and private-sector partnerships as the entry point through which to reach smallholder farmers and MSMEs. Implementation will span a seven-year period, fully embedded in the Government’s decentralized system. The programme will be harmonized with the IFAD country programme and initiatives of the Government and other development partners. Potential collaboration is being explored with the World Bank, the African Development Bank, the United States Agency for International Development, the European Union, the United Kingdom’s Department for International Development and the Food and Agriculture Organization of the United Nations.

B. Operational framework

20. The Ministry of Agriculture (MoA) will be the executing agency and delivery systems will be fully integrated into decentralized government structures. Implementation arrangements will build on the mechanisms employed by SAPP, enabling a seamless transition from SAPP to E-SAPP. The MoA Policy and Planning Department will be responsible for administration and coordination, and supported by a programme steering committee chaired by the Permanent Secretary of MoA or his/her nominee.

C. Planning, monitoring and evaluation, and learning and knowledge management

21. The logical framework will be used as a tool for planning and M&E, to ensure that necessary information is available for management decision-making, and to facilitate reporting to the Government, IFAD and stakeholders. Planning will be a decentralized process, starting at the district level with the preparation of commodity-specific plans, which will be aggregated into a programme-wide AWPB. To ensure a truly aligned portfolio, AWPBs for all IFAD programmes will be harmonized to capitalize on comparative advantages, minimize duplication, encourage linkages between them and ensure the optimal use of resources.

22. The M&E system will build on the experience of SAPP and provide information that informs management decision-making and reporting, including data for IFAD’s Results and Impact Management System. Monitoring will focus on the activities defined in the AWPB, and on creating a cumulative overview of results/outputs. The M&E system will be decentralized under the oversight of a planning/M&E officer and a knowledge management officer. Knowledge management will ensure a continuous learning process in which data are compiled, analysed and disseminated as lessons learned, along with thematic studies and stories from the field. Information-sharing within the aligned portfolio will receive particular attention.

D. Financial management, procurement and governance

23. Financial management. Transparency International's Corruption Perceptions Index rates inherent risk in Zambia as "medium", characterized by improved governance, increasing opportunities for the private sector, and some weaknesses in public sector management. The fiduciary risk was assessed by IFAD as "high" mainly due to persistent delays in justification from districts, with consequent liquidity problems, accounting software not optimally functioning and internal audit in need of strengthening; improved safeguard measures will therefore be put in place to reduce risk to "medium". E-SAPP will employ similar financial management systems to those used under SAPP, including the accounting software. However, E-SAPP procurement will be started in advance by another ongoing IFAD project. Strong training and technical assistance will be provided from the outset. Coverage of biannual internal programme audits will be included in the audit plan of the MoA Internal Audit Unit, which will be included in E-SAPP start-up trainings. Internal audit reports and action plans to implement audit recommendations will be shared with IFAD as a reporting requirement. Financial reporting will be based on IPSAS[2] standards.

24. A designated account denominated in United States dollars will be held at the Bank of Zambia. Two operating accounts, one denominated in Zambian kwacha and the other in United States dollars, will be held a commercial bank – the latter is intended to mitigate foreign exchange risk and will be used for paying foreign suppliers for contracts denominated in United States dollars and for foreign travel costs.

25. To address the risk of delayed justification of expenditures by districts: transfers to districts will be made on the basis of activity-tagged advances that must be retired before subsequent releases; a system for monitoring advances to districts will be included in the accounting software; and agents/assistants will be recruited at the provincial level to follow up and facilitate the justification process and to ensure expenditure reports and supporting documentation from the districts are collated and submitted to the PCO on a timely basis.

26. The MGF will be managed by a service provider selected on the basis of relevant experience, working under the supervision of the PCO. Community mobilization and training will also be outsourced. The matching grants will be replenished upon each disbursement to grantees, not once grantees have fully utilized the grants. A performance-based payment schedule will be included in contracts, and grants will be regularly monitored. Procedures will be included in the grant manual to guarantee transparency and minimize the risk of malpractice. After allocation of the grants under their respective windows, the borrower shall ensure that audits of the grant allocation process, approval and use of grant funds are carried out by an independent service provider acceptable to IFAD. Withdrawals from the grants category may only be made on condition that IFAD has determined that such audits are satisfactory.

27. Audit. The Office of the Auditor General of Zambia will conduct an external audit of E-SAPP annually or will have the discretion to appoint an independent private audit firm acceptable to IFAD. Internal control systems at the PCO level will be established and MoA will maintain oversight through its Internal Audit Unit. Supervision missions will review internal audit reports and assess management responses to recommendations. Internal controls will also be verified during the annual external audit by the Auditor General, and reported to IFAD in management letters. The audit reports will be submitted to IFAD no later than six months after the end of each fiscal year.

[2] International Public Sector Accounting Standards – Cash Basis.

28. Procurement. National procurement procedures will be applied to the extent that they are consistent with IFAD's guidelines and provided they are assessed as satisfactory or better. This applies to all procurement except international competitive bidding for contracts above an agreed threshold. Procurement planning will follow the templates in the IFAD Procurement Handbook as already adapted for SAPP and the other IFAD-supported programmes in compliance with the Zambia Public Procurement Authority (ZPPA). A procurement assessment of SAPP operations resulted in a medium risk score, largely as a result of staffing challenges facing the MAL's Procurement and Supplies Unit (PSU), which tend to cause delays in the procurement cycle, exacerbated by lengthy processes, including for the approval of contracts by the Ministry of Justice. Measures to improve procurement performance will include: the recruitment of a procurement specialist to support the PSU; capacity-building for the PSU, ZPPA and the Ministry of Justice to address the procurement delays; and the incorporation of procurement modules into the financial management software.

E. Supervision

29. IFAD and the Government will conduct supervision missions, normally every six months, to assess achievements and lessons learned and reflect on ways to improve performance. Implementation support will focus on planning, procurement, financial management, M&E and the provision of technical assistance. The most important skills to be provided include: value chain analysis; financial management and procurement; M&E; poverty and gender analysis and targeting; and programme management. Key issues likely to require the attention of the missions will include: M&E, learning and knowledge management; implementation and reporting delays; procurement; partnerships, beneficiaries and the private sector; and capacity-building interventions.

IV. Programme costs, financing, and benefits

A. Programme costs

30. Total costs, including price contingencies, duties and taxes, are estimated at equivalent to US$29.7 million, of which approximately US$1 million (3 per cent) represents the foreign exchange content and US$1.2 million (4 per cent) duties and taxes. Total base costs amount to approximately US$28.1 million, while price contingencies account for an estimated US$1.5 million (5 per cent of base costs). Investment costs account for 80 per cent of the base costs, and recurrent costs 20 per cent. Funds allocated to management and coordination amount to approximately US$5.0 million (17 of total costs).

Table 1
Programme costs by component and financier
(Thousands of United States dollars)

	Borrower		*IFAD loan*		*IFAD grant*		*Beneficiaries*		*Private sector*		*Other financiers*		*Total*	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
1. Enabling environment for agribusiness development growth														
A. Agribusiness policy development	99	4.4	1 251	56.0	65	2.9	-	-	108	4.8	712.3	31.8	2 235	7.5
B. Institutional strengthening for agribusiness	277	17.1	1 119	69.0	227	14.0	-	-	-	-	-	-	1 623	5.5
Subtotal	375	9.7	2 371	61.4	291	7.6	-	-	108	2.8	712.3	18.5	3 858	13.0
2. Sustainable agribusiness partnerships														
A. Strategic linkage of graduating subsistence farmers to markets	374	3.4	8 200	73.9	719	6.5	1 232	11.1	572	5.2	-	-	11 098	37.4
B. Enhancing agro MSME Development	369	5.7	4 255	65.3	-	-	-	-	1,890	29.0	-	-	6 515	22.0
C. Facilitating pro-smallholder market pull agribusiness partnerships	150	5.1	1 895	64.6	-	-	-	-	887	30.2	-	-	2 932	9.9
Subtotal	894	4.4	14 350	69.9	719	3.5	1 232	6.0	3 349	16.3	-	-	20 544	69.2
3. Programme Implementation	737	14.0	4 533	86.0	-	-	-	-	-	-	-	-	5 270	17.8
Total programme costs	**2 006**	**6.8**	**21 254**	**71.6**	**1 011**	**3.4**	**1 232**	**4.2**	**3 457**	**11.7**	**712.3**	**2.4**	**29 672**	**100.0**

B. Programme financing

31. IFAD will fund the programme through a grant equivalent to approximately US$1.01 million and a loan on highly concessionary terms in an amount equivalent to approximately US$21.25 million. Grant-funded activities relate mostly to capacity-building and facilitating the transition of households from category A to category B, and eventually to category C. The Government will provide US$ 2 million in cofinancing, in the form of taxes and duties, and beneficiaries US$1.23 million, mainly in-kind. The private sector will contribute US$3.46 million through share of the matching grants; the Indaba Agricultural Policy Research Institute (IAPRI) approximately US$0.51 million through technical assistance for policy development; and the Platform for Agricultural Risk Management (PARM) US$0.2 million for agriculture risk management activities.

Table 2
Programme costs by expenditure category and financier
(Thousands of United States dollars)

	Borrower		*IFAD loan*		*IFAD grant*		*Beneficiaries*		*Private sector*		*IAPRI*		*PARM*		*Total*	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
1. Investment Costs																
A. Consultancies	-	-	1 587	68.9	585	25.4	132	5.7	-	-	-	-	-	-	2 304	7.8
B. Equipment and materials	21	16.0	108	84.0	-	-	-	-	-	-	-	-	-	-	129	0.4
C. Works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
D. Vehicles	355	41.3	505	58.7	-	-	-	-	-	-	-	-	-	-	860	2.9
E. Workshops	-	-	335	47.1	104	14.6	103	14.4	108	15.2	62	8.7	-	-	712	2.4
F. Training	749	20.7	1 120	31.0	321	8.9	283	7.8	1 145	31.6	-	-	-	-	3 617	12.2
G. Goods, services and inputs	-	-	3 252	100.0	-	-	-	-	-	-	-	-	-	-	3 252	11.0
H. Grants and subsidies	-	-	9 610	75.5	-	-	715	5.6	2 204	17.3	-	-	200	1.6	12 729	42.9
I. Unallocated	-	-	250	100.0	-	-	-	-	-	-	-	-	-	-	250	0.8
Total investment costs	1 125	4.7	16 768	70.3	1 011	4.2	1 232	5.2	3 457	14.5	62	0.3	200	0.8	23 854	80.4
2. Recurrent costs																
A. Operating costs	143	16.0	572	63.9	-	-	-	-	-	-	180	20.1	-	-	896	3.0
B. Salaries and allowances	738	15.0	3 913	79.5	-	-	-	-	-	-	270	5.5	-	-	4 922	16.6
Total recurrent costs	882	15.2	4 485	77.1	-	-	-	-	-	-	451	7.7	-	-	5 817	19.6
Total programme costs	**2 006**	**6.8**	**21 254**	**71.6**	**1 011**	**3.4**	**1 232**	**4.2**	**3 457**	**11.7**	**512**	**1.7**	**200**	**0.7**	**29 672**	**100.0**

C. Summary benefit and economic analysis

32. The programme will promote the transformation of smallholder farmers from mainly subsistence level to commercially oriented production by building sustainable and profitable partnerships with agribusinesses. The economic rationale hinges on improving smallholders' integration within value chains through partnerships with agribusinesses (the 4P approach) that provide improved access to technologies and inputs, knowledge about improved technologies, better services and enhanced marketing opportunities. The beneficiaries will be assisted in developing their entrepreneurial and business capacity through access to technical support and training.

33. The result will be: (a) increased productivity and product quality; (b) better and more stable prices through participation in contract farming and/or outgrower arrangements offering improved market access; (c) expanded farm size and wider adoption of improved farming practices; (d) sustainable partnerships with the private sector and enhanced access to services; and (e) added value through aggregation, sorting, grading, drying and storage.

34. Direct programme beneficiaries. The primary beneficiaries will be approximately 61,000 smallholder households, in particular young people and households headed by women. This includes 40,000 category A subsistence farmers; 16,000 economically active category B farmers; and 5,000 commercially oriented category C farmers. Assuming an average household size of five, the total number of beneficiaries will be approximately 305,000.

35. Indirect programme beneficiaries. A large number of smallholders will benefit indirectly through the diffusion of knowledge about improved technologies, and improved access to marketing services and business information. Consumers will also benefit from more better quality products and better prices, with positive effects on nutrition and food security. In addition, all those living in the areas where

E-SAPP is active will benefit from strengthened local economies, increased job opportunities and the development of complementary economic activities (e.g. input dealers).

D. Sustainability

36. Economic/income sustainability. The value chain/market-led approach will foster entrepreneurship among smallholder farmers and their integration within value chains. This will result in the orientation of smallholder groups and individuals towards market opportunities and a lasting commitment among value chain partners to enhance value creation. Linkages to markets will ensure that mainly subsistence farmers have an outlet for their surplus production to assist them make the transition to farming as a business. As long as the established linkages prove to be profitable and mutually beneficial, the long-term outcomes will be sustainable.

37. Environmental sustainability will be enhanced through the application of environmental standards by the MGF recipients, and the implementation of environmental and social management plans as part of grant-funded activities. This will be achieved through capacity-building in environmental and social procedures and risk management. While beneficiaries will acquire tangible benefits from these standards and plans, those results may not materialize in the short term. The management team will oversee the Environmental and Social Management Framework (ESMF) to reinforce the benefits of integrating environmental management practices and counteract trade-offs for short-term benefits that may adversely affect the natural resource base. The ESMF will define the responsibilities and benchmarks for monitoring environmental impacts and include feedback mechanisms to incorporate any positive externalities.

38. Institutional sustainability. To ensure relevance, ownership and sustainability, E-SAPP will mainstream planning, implementation and M&E into the Government's decentralized institutional frameworks and align them with national goals and policies. Participating institutions will be supported and strengthened to build institutional capacity (as per subcomponent 1.B) and sustainability. Communities and grass-roots institutions will be mobilized and strengthened to build their capacity for sustainability and to take ownership of programme interventions.

E. Risk identification and mitigation

39. The logical framework identifies the main risk areas, and risk monitoring forms part of the M&E approach. The main risks and mitigation measures are detailed below.

40. There is a possibility that the pipeline of large-scale 4P grantees will not materialize into grants uptake, due to lack of awareness or the existence of more attractive grant facilities under other programmes. This risk will be mitigated through: (a) promoting the existence and terms and conditions of the 4P grants; (b) identifying potential grantees and inviting them to make applications; and (c) collaborating with other development partners to ensure that the various matching grant funds have harmonized terms and conditions. Discussions have already been held with other development partners concerning this issue.

41. Extension teams at the district level and lower may not be adequately prepared to identify and support potential MSME grant recipients. Among the lessons learned from SAPP was that training on business and grant procedures focused on too narrow a range of government staff. E-SAPP will ensure that marketing, general and commodity specialist extension staff receive training in farming as a business, engaging with the private sector and managing/overseeing the MSME grants.

42. The limited capacity of some institutions may delay implementation. To mitigate this risk, the programme includes capacity-building for institutions facing identified capacity challenges (subcomponent 1.B).

43. Private sector stakeholders may be reluctant to fully engage in the programme, resulting in reliance by farmers on government institutions for services that could be provided by the private sector. To mitigate this risk, the programme provides for private sector representation on the programme steering committee. In addition, the MGF service provider will play a catalytic role in private sector participation.

44. A delay in programme start-up would lead to the possibility of implementation delays and a disbursement lag. To minimize this risk, IFAD and the Government are taking steps to ensure a seamless transition between SAPP and E-SAPP.

45. A lack of good quality matching grant applications would result in the slow disbursement of grant resources. The programme will provide training for applicants, promote the MGF widely and identify potential grantees based on value chain scoping studies.

46. Climate change and variability will potentially have a negative impact on productivity, in particular of rainfed agriculture and where farmers have limited resources to manage risks such as pests and diseases. Measures to reduce impacts include capacity-building in climate risk management, and vulnerability analysis that will inform the selection of value chains.

47. Fiduciary risk, as mitigated by the controls detailed in section III.D above, results in medium assessment.

V. Corporate considerations

A. Compliance with IFAD policies

48. E-SAPP will be implemented in compliance with IFAD's Strategic Framework 2016-2025, as well as IFAD's policies on natural resource management and climate change. The programme recognizes the economic and social value of natural assets through capacity-building for farmers in environmental management, and the criteria used in the selection of MGF partners. It will support climate-smart approaches and defines minimum standards for grantees in relation to climate resilience and capacity-building on environmental, social and climate risk management. It will also adhere to the principle of livelihood diversification to reduce vulnerability and build resilience. E-SAPP is also compliant with IFAD's Targeting Policy (2006) and Gender Equality and Women's Empowerment Policy (2012). Of the 10,000 market-ready poor households to be targeted, at least 30 per cent will be headed by women and 25 per cent by young people. Moreover, the nutrition focus is aligned with IFAD's commitment to nutrition-sensitive interventions and mainstreaming nutrition.

B. Alignment and harmonization

49. The programme supports the Government's policy on reducing poverty through smallholder commercialization in conjunction with private sector partners. Within this framework, MoA is expected to focus on its core functions, which include policy formulation, legislation and regulation. The programme has been developed in consultation with partners engaged in improving agricultural productivity and market linkages. Relevant partners will be invited to participate in the screening and selection of commodities, the mapping of selected value chains, and the development and implementation of intervention plans.

C. Innovations and scaling up

50. E-SAPP builds on IFAD experience as a 4P endeavour aiming to reduce rural poverty by stimulating rural economic development through the transformation of smallholder producers (including subsistence farmers) into profitable small-scale commercial farmers. It seeks to improve the effectiveness of policies and practices to accelerate the growth of farming as a business among Zambia's 1.5 million smallholder households. The programme will enhance the focus on women and

young people as priority target groups and support the mainstreaming of nutrition-sensitive agriculture/agribusiness.

D. Policy engagement

51. Policy engagement is an integral part of the programme in recognition of the need for a conducive and inclusive institutional framework for the agribusiness sector that involves smallholders in policy from design to implementation. The programme will support the Government in establishing an enabling policy and institutional environment for commercially driven agriculture and rural development, and help put structures in place to address agricultural risk management-related issues.

VI. Legal instruments and authority

52. A programme financing agreement between the Republic of Zambia and IFAD will constitute the legal instrument for extending the proposed financing to the borrower/recipient. A copy of the negotiated financing agreement is attached as appendix I.

53. Republic of Zambia is empowered under its laws to receive financing from IFAD.

54. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VII. Recommendation

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

> RESOLVED: that the Fund shall provide a loan on highly concessional terms to the Republic of Zambia in an amount equivalent to fifteen million five hundred thousand special drawing rights (SDR 15,500,000), and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.
>
> RESOLVED FURTHER: that the Fund shall provide a grant to the Republic of Zambia in an amount equivalent to seven hundred and forty thousand special drawing rights (SDR 740,000) 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

Enhanced-Smallholder Agribusiness Promotion Programme

(Negotiations concluded on 28 November 2016)

Loan Number: _____________
Grant Number: _____________

Programme Title: Enhanced-Smallholder Agribusiness Promotion Programme ("E-SAPP" or "the Programme")

Republic of Zambia (the "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) and the Allocation Table (Schedule 2).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of April 2014, and as may be amended hereafter from time to time (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. 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 Grant to the the Borrower/Recipient (the "Financing"), which the the Borrower/Recipient shall use to implement the Programme in accordance with the terms and conditions of this Agreement.

Section B

1. A. The amount of the Loan is fifteen million five hundred thousand Special Drawing Rights (SDR 15 500 000).

   B. The amount of the Grant is seven hundred and forty thousand Special Drawing Rights (SDR 740 000).

2. The Loan is granted on highly concessional terms, and shall be free of interest but bear a service charge of three fourths of one per cent (0.75%) per annum payable semiannually in the Loan Service Payment Currency, and shall have a maturity period of forty (40) years, including a grace period of ten (10), years starting from the date of approval of the Loan by the Fund's Executive Board.

3. The Loan Service Payment Currency shall be the United States dollar (USD).

4. The first day of the applicable Fiscal Year shall be 1 January.

5. Payments of service charge shall be payable on each 1 May and 1 November.

6. There shall be one Designated Account denominated in USD at the Bank of Zambia to receive the proceeds of the Loan and the Grant.

7. The Borrower/Recipient shall provide counterpart financing for the Programme as foregone taxes and duties in an amount estimated equivalent to about two million United States dollars (USD 2 000 000).

Section C

1. The Lead Programme Agency shall be Ministry of Agriculture (MoA), Policy and Planning Department.

2. The following are designated as additional Programme Parties: the Indaba Agricultural Policy Research Institute (IAPRI) and the Platform for Agricultural Risk Management (PARM).

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

Section D

1. The Financing will be administered and the Programme supervised by the Fund.

Section E

1. The following are designated as additional general conditions precedent to withdrawal:

(a) The Borrower/Recipient shall have duly opened the Designated Account referred to in Section B.6.

(b) An off-the-shelf accounting software able to provide financial reports as per IFAD standards shall have been duly procured, installed and implemented.

(c) The Programme Coordination Office (PCO) shall have been duly established and key Programme management positions (a Programme Coordinator; a Financial Controller and Administrator; a Planning, Monitoring and Evaluation Officer, a Procurement Officer and a Matching Grant Manager) shall have been filled by personnel acceptable to IFAD.

(d) The Borrower/Recipient shall have established the Programme Steering Committee (PSC) headed by the Permanent Secretary of the MoA.

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

For the Borrower/Recipient:

Secretary of Treasury
Ministry of Finance
P. O. Box 50062
Chimanga Road
Lusaka, Zambia

For the Fund:

President
International Fund for Agricultural Development
Via Paolo di Dono 44
00142 Rome, Italy

This Agreement, dated __________, has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the the Borrower/Recipient.

REPUBLIC OF ZAMBIA

____
Authorized Representative
(Name and title)

INTERNATIONAL FUND FOR
AGRICULTURAL DEVELOPMENT

____
Kanayo F. Nwanze
President

Schedule 1

Programme Description and Implementation Arrangements

I. Programme Description

1. Objective. The Programme development objective is to increase the volume and value of agribusiness outputs sold by smallholder producers. The Programme shall have a multiple commodity focus and nationwide coverage. The selection of the commodities will define the geographic focus of interventions. The Programme will focus on three commodity groups: (a) legumes (groundnuts, soybeans, beans and cowpeas); (b) small livestock (poultry, goats, sheep and pigs); and (c) rice. These were selected on the following basis: (a) over 70 per cent of smallholders produce these commodities as both food and cash crops; (b) the commodities have significant nutritional benefits; (c) they help fill the seasonal hunger period; (d) they have high potential for commercialization through partnerships with the private sector, efficiency gains and value addition; (e) there is a high level of interest among market intermediaries; and (f) there is potential to deliver quick results. However, the larger grants under the public-private-producer partnerships (4P) facility will not be restricted to the above value chains or regions.

2. Goal. The Programme goal is to increase the incomes and food and nutrition security of rural households involved in market-oriented agriculture. This underlines the central importance of food and nutrition in efforts to improve the lives of the rural population, but also the ambition to reach beyond basic needs and increase incomes to enable households to improve dwellings, send children to school and invest in agriculture.

3. Target group. The Government classifies Zambia's 1.5 million smallholder farming households in three categories. Category A (subsistence farmers) will form the majority of the target group. Category B (economically active), and Category C (commercially oriented farmers) will also be targeted to help develop the Programme's agribusiness linkages, considering that they are already producing a surplus for the market. The Programme will work with approximately 40,000 Category A, 16,000 Category B and 5,000 Category C households.

4. Components. The Programme shall consist of the following components:

4.1. Component 1. Enabling environment for agribusiness development. The Component will help to establish an enabling policy and institutional environment for commercially oriented agriculture and rural development. It will advance the capacity-building work initiated by SAPP and help to address risk management issues. In addition, subsector policies will be reoriented to integrate climate risk management.

4.2. Component 2. Sustainable agribusiness partnerships. This Component will build the capacity of smallholders and their service providers to compete for, and implement, matching grants. This is a key success factor to facilitate the integration of smallholder farmers within value chains, promote their engagement in the MGF process and improve their productivity, incomes and nutritional outcomes. This will be achieved through nutritional education and training on farming as a business, as well as extending and strengthening SAPP's MGF experience within a 4P framework. There will be three MGF windows: linkage of graduating subsistence farmers to markets; enhancing micro, small and medium agro enterprise (MSME) development; and facilitating pro-smallholder agribusiness partnerships. They will support interventions on the supply and demand sides alike to increase output, productivity, quality and resilience.

4.3. Component 3. Programme implementation. The Component will be conducted through a Programme Coordination Office (PCO). The Programme will finance the PCO costs, office equipment, office consumables, and vehicles and associated maintenance costs. It will provide PCO staff salaries, training and technical assistance to address specific needs. The PCO will be responsible for coordinating and monitoring Programme activities, including: financial management and reporting; procurement; the preparation of annual work plans and budgets (AWPBs); and monitoring and evaluation (M&E)/knowledge management. The PCO will conduct annual AWPB review meetings, annual outcome surveys, biannual implementation reviews and annual knowledge-sharing workshops. Results and learning-oriented reporting will be based on inputs from beneficiaries and implementing partners.

II. Implementation Arrangements

5. Lead Programme Agency. The Ministry of Agriculture (MoA) will be the executing agency and delivery systems will be fully integrated into decentralized government structures. Implementation arrangements will build on the mechanisms employed by SAPP, enabling a seamless transition from SAPP to E-SAPP. The MoA Policy and Planning Department will be responsible for administration and coordination, and supported by a programme steering committee chaired by the Permanent Secretary of MoA or his/her nominee.

6. PCO. The PCO will be charged with the overall responsibility of coordinating and monitoring implementation of Programme activities, including: (a) financial management and reporting; (b) coordination of all procurements for goods and services; (c) preparation and coordination of Annual Work Plans and Budgets (AWPBs); and (d) monitoring and evaluation of Programme activities and undertaking knowledge management. The PCO will conduct annual AWPB review meetings, annual outcome surveys, biannual implementation progress reviews and annual national stakeholders' knowledge sharing workshops. Results and learning-oriented progress reporting will be based on inputs from beneficiaries and implementing partners using appropriate technologies. Monitoring results will be part of the six monthly progress reports and assessment/evaluations of the Programme will be an essential element of all reviews.

7. Matching Grant Facility. The Matching Grant Facility (MGF) will be managed by a service provider selected on the basis of relevant experience, working under the supervision of the PCO. Community mobilization and training will also be outsourced. The matching grants will be replenished after each disbursement to grantees, not once grantees have fully utilized the grants. A performance-based payment schedule will be included in contracts, and grants will be regularly monitored. Procedures will be included in the grant manual to guarantee transparency and minimize the risk of malpractice. After allocation of the grants under their respective windows, the Borrower/Recipient shall ensure that audits of the grant allocation process, approval and use of grant funds are carried out by an independent service provider acceptable to IFAD. Withdrawals from the grants category may only be made on condition that IFAD has determined that such audits are satisfactory.

8. Planning. The Logical Framework will be used as a tool for planning and M&E, to ensure that necessary information is available for management decision-making, and to facilitate reporting to the Government, IFAD and stakeholders. Planning will be a decentralized process, starting at the district level with the preparation of commodity-specific plans, which will be aggregated into a Programme-wide AWPB. To ensure a truly aligned portfolio, AWPBs for all IFAD programmes will be harmonized to capitalize on comparative advantages, minimize duplication, encourage linkages between them and ensure the optimal use of resources.

9. Monitoring and Evaluation. The M&E system will build on the experience of SAPP and provide information that informs management decision-making and reporting, including data for IFAD's Results and Impact Management System (RIMS). Monitoring will focus on the activities defined in the AWPB, and on creating a cumulative overview of results/outputs. The M&E system will be decentralized under the oversight of a planning/M&E officer and a knowledge management officer. Knowledge management will ensure a continuous learning process in which data are compiled, analysed and disseminated as lessons learned, along with thematic studies and stories from the field. Information-sharing within the aligned portfolio will receive particular attention.

10. Financial management. The Programme shall employ similar financial management systems to those used under SAPP, including the accounting software. Strong training and technical assistance will be provided to ensure that the Programme will be in full compliance with the government's and the Fund's financial requirements. Coverage of biannual internal programme audits will be included in the audit plan of the MoA Internal Audit Department. All internal audit reports and action plans to implement audit recommendations will be shared with IFAD.

To address the risk of delayed justification of expenditures by districts: transfers to districts will be made on the basis of activity-tagged advances that must be retired before subsequent releases; a system for monitoring advances to districts will be included in the accounting software; and agents/assistants will be recruited at the provincial level to follow up and facilitate the justification process and to ensure expenditure reports and supporting documentation from the districts are collated and submitted to the PCO on a timely basis.

11. Audit. The Office of the Auditor General of Zambia will conduct an external audit of the Programme annually or will have the discretion to appoint an independent private audit firm acceptable to IFAD. Internal control systems at the PCO level will be established and MoA will maintain oversight through its Internal Audit Department. Supervision missions will review internal audit reports and assess management responses to recommendations.

12. Supervision. IFAD and the Government will conduct supervision missions, normally every six months, to assess achievements and lessons learned and reflect on ways to improve performance. There will also be a Mid-Term Review after three years of Programme implementation. Implementation support will focus on planning, procurement, financial management, M&E and the provision of technical assistance. The most important skills to be provided include: value chain analysis; financial management and procurement; M&E; poverty and gender analysis and targeting; and project management. Key issues likely to require the attention of the missions will include: M&E, learning and knowledge management; implementation and reporting delays; procurement; partnerships, beneficiaries and the private sector; and capacity-building interventions.

13. Programme Implementation Manual (PIM). The Programme shall be implemented in accordance with the approved AWPB and the PIM, the terms of which shall be adopted by the Lead Programme Agency subject to the Fund's prior approval. The PIM shall include, among other things: (i) terms of reference, implementation responsibilities and appointment modalities of all Programme staff and consultants; (ii) Programme operating manuals and procedures; (iii) monitoring and evaluation systems and procedures; (iv) a detailed description of implementation arrangements for each Programme component; (v) Terms of Reference (TORs) and modalities for the selection of service providers, to be based on transparent and competitive processes; (vi) detailed modalities of the MGF (Matching Grant Facility); (vii) financial management and reporting arrangements including accounting, approval of payments, financial reporting, internal controls, fixed asset management, as well as internal and external audit; and (viii) the good governance and anti-corruption framework.

Schedule 2

Allocation Table

1. Allocation of Proceeds. (a) The Table below sets forth the Categories of Eligible Expenditures to be financed by the Loan and the Grant with the allocation of the amounts of the Loan and Grant to each expense Category. All amounts are 100% net of taxes.

Category		Loan Amount Allocated (expressed in SDR)	Grant Amount Allocated (expressed in SDR)
I.	Consultancies	770 000	350 000
II.	Equipment and material	450 000	
III.	Training	1 110 000	320 000
IV.	Goods, services & inputs	2 710 000	
V.	Grants & subsidies	7 000 000	
VI.	Salaries & allowances	3 270 000	
	Unallocated	190 000	70 000
TOTAL		15 500 000	740 000

(b) For the Loan, the category “Equipment and material” includes vehicles; the category “Training” includes workshops and the category “Salaries & allowances” includes operating costs. For the Grant, the category “Training” includes workshops.

(c) Category “Grants & subsidies” mainly includes expenses for capacity building of smallholders and their service providers to compete for, and implement, matching grants from E-SAPP: pro-Smallholder Market Pull Agribusiness Partnerships matching grants and Agro-MSME Agribusiness Development matching grants.

2. Start-up Costs. Withdrawals in respect of expenditures for start-up costs incurred before the satisfaction of the general conditions precedent to withdrawal but after the date of entry into force shall not exceed an aggregate amount of USD 100 000 and shall be incurred only for expenses related to Categories II, III, IV, VI.

Logical framework

RESULTS HIERARCHY	INDICATORS Name	Baseline	Mid-Term	End target	MEANS OF VERIFICATION Source	Frequency	Responsibility	ASSUMPTIONS
Goal: Increase the incomes, and food and nutrition security, of rural households involved in market-oriented agriculture.	Increase in household asset index (%) [a]	Radio: 48.5% Mobile phone: 50.0% Bicycle: 53.6% Hoe: 74.8% Axe: 54.2% Plough: 21.5%		15% increase over baseline	Large sample surveys	Twice, at programme start-up and completion	Contracted out by PCO, carried out by service provider	A: Political and macroeconomic stability maintained. A: Sustained market demand for supported commodities.
	Prevalence of chronic malnutrition (stunted height for age) (%) [b]	42.1%		37%				
	Proportion of households that are food secure (M/F) [c]	51.4%		59%				
Development objective: Increase the volume and value of agribusiness outputs sold by smallholder producers	Farming HHs who increased the value of sales (in real terms) of supported agricultural produce/ products (M/F) [d]	x	24,400	48,800	Outcome surveys	Annually starting at mid-term	Organized by PCO, data collection by GRZ staff	
	Increased household dietary diversity (at least 5 food groups)	67.5%	70%	80%	Food Survey	Thrice – at Programme start-up, MTR and completion		Increased incomes, sales and value of commodity products influencing family diets.
Component 1: Enabling Environment for Agribusiness Development								
Outcome 1: Policy and institutional environment enhanced for agribusiness development	At least five key recommendations of the ZNADS implemented and effectively benefiting stakeholders by the end of the Programme [e]	x	2	5	Outcome surveys	Bi-annually	PCO and specialized grant management institution	A: Collaboration by the key stakeholders in the agribusiness sector.
Subcomponent 1.1: Agribusiness Policy Development								
Output 1.1.1 Strategic framework that supports agribusiness developed and implementation started.	Key agribusiness studies that guide strategy development completed (number) [f]	x	6	6	IAPRI reports	Bi-annually	IAPRI	A: Effective monitoring and enforcement of conducive regulatory framework.
	Policies, regulations and standards conducive to agribusiness prepared and endorsed (number) [f]	x	2	6	IAPRI reports	Bi-annually	Partnership of IAPRI, the MAL, MLF and agribusiness stakeholders	
Subcomponent 1.2: Institutional Strengthening for Agribusiness								
Output 1.2.2 Capacity of government and private sector to support smallholders and agribusiness partnerships strengthened.	People trained in providing climate sensitive agribusiness advisory services (including Farming as a Business training) (M/F) [g]	x	700	2,000	Service provider reports	Bi-annually	Service provider(s) specialized in business development	A: Staff trained are given the mandate and resources needed for effective service delivery.
RESULTS HIERARCHY	**INDICATORS** **Name Baseline Mid-Term End target**				**MEANS OF VERIFICATION** **Source Frequency Responsibility**			**ASSUMPTIONS AND RISKS**

Component 2: Sustainable Agribusiness Partnerships								
Outcome 2: Collaborative business models between smallholders and other value chain operators for sustainable and climate-resilient agriculture expanded and scaled up.	Number of collaborative and mutually beneficial business arrangements established and operational between smallholders and value chain operators [/h]	x	40	100	Grant recipient reports	Bi-annually	PCO and specialized grant management institution	A: Adherence to contract / agreement terms. A: The market and policy environment allows both agribusiness and producers to reap expected benefits.
Subcomponent 2.1: Strategic Linkages of Graduating Subsistence Farmers to Markets								
Output 2.1 Capacity of subsistence farmers to produce a surplus for the market increased.	Annual gross value of all farm sales (crops & livestock) by smallholder HHs to buyers (ZMW) [/i]	Category A: 2,000 Category B: 5,000 Category C: 17,000	Category A: 3,500 Category B: 10,000 Category C: 30,000	Category A: 5,000 Category B: 17,500 Category C: 60,000	PCO reports	Bi-annually	PCO	
Subcomponent 2.2: Enhancing Agro-Micro, Small and Medium Enterprises (MSME) Development								
Output 2.2 Capacity of MSMEs to engage in value chain operations increased.	Total value of investments supported through MSME matching grants (US$) [/j]	x	3 million	6.5 million	PCO reports	Quarterly	PCO	A: Enough realistic proposals that benefit both agribusiness and producers will be submitted. A: Willingness to invest own resources by value chain operators / grantees. A: Training / coaching effectively elevates farmers and their organizations to become more reliable partners for agribusiness.
	People receiving services, by type, financed through the MSME MG (M/F) [/k]	x	5,000	14,400	MSME grant recipient reports and PCO reports	Bi-annually	PCO	
	Climate resilient value chain infrastructure / facilities established by type (number) [/l]	x	100	180				
Subcomponent 2.3: Facilitating Pro-Smallholder Market-Pull Agribusiness Partnerships								
Output 2.3 Capacity of large agribusinesses and strategic promoters to engage with smallholders and MSMEs increased.	Total value of investments supported through Pro-Smallholder Market Pull Agribusiness Partnership matching grants (US$) [/j]	x	2 million	4.2 million	4P grant facility management reports	Quarterly	Specialized grant management institution	
	People receiving services, by type, financed through 4P matching grants (M/F) [/k]	x	10,000	21,600	Pro-Smallholder Market Pull Agribusiness Partnership grant recipient reports and the grant facility management reports	Bi-annually	Specialized grant management institution	
	Climate Resilient value chain infrastructure / facilities established by type (number) [/l]	x	20	50				