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**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Eighty-Sixth Session**  
Rome, 12-13 December 2005

**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE

**REPUBLIC OF ZAMBIA**

FOR THE

**SMALLHOLDER LIVESTOCK INVESTMENT PROJECT**



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**CURRENCY EQUIVALENTS**

Currency unit	=	Zambian kwacha (ZMK)
USD 1.00	=	ZMK 4 600
ZMK 1 000	=	USD 0.217

**WEIGHTS AND MEASURES**

1 kilogram (kg)	=	2.204 pounds (lb)
1 000 kg	=	1 metric tonne (t)
1 kilometre (km)	=	0.62 miles (mi)
1 metre (m)	=	1.09 yards (yd)
1 square metre (m <sup>2</sup> )	=	10.76 square feet (ft <sup>2</sup> )
1 acre (ac)	=	0.405 ha
1 hectare (ha)	=	2.47 acres

**ABBREVIATIONS AND ACRONYMS**

CBPP	contagious bovine pleuropneumonia
DCSU	disease control sub-unit
ECF	east coast fever
PCU	project coordination unit

**GOVERNMENT OF THE REPUBLIC OF ZAMBIA  
Fiscal Year**

1 January – 31 December

## MAP OF THE PROJECT AREA



Source: 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

**REPUBLIC OF ZAMBIA**  
**SMALLHOLDER LIVESTOCK INVESTMENT PROJECT**

**LOAN SUMMARY**

<b>INITIATING INSTITUTION:</b>	IFAD
<b>BORROWER:</b>	Republic of Zambia
<b>EXECUTING AGENCY:</b>	Ministry of Agriculture and Cooperatives
<b>TOTAL PROJECT COST:</b>	USD 14.99 million
<b>AMOUNT OF IFAD LOAN:</b>	SDR 7.00 million (equivalent to approximately USD 10.12 million)
<b>TERMS OF IFAD LOAN:</b>	40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum
<b>CONTRIBUTION OF BORROWER:</b>	USD 2.63 million
<b>CONTRIBUTION OF BENEFICIARIES:</b>	USD 2.25 million
<b>APPRAISING INSTITUTION:</b>	IFAD
<b>COOPERATING INSTITUTION:</b>	United Nations Office for Project Services

## PROJECT BRIEF

**The project.** The Smallholder Livestock Investment Project will play an important role in revitalizing the smallholder mixed-farming system that predominates in the country. The goal is to increase food security and incomes among poor smallholder farmers by restoring access to draught animal power. The project objectives are to reduce the incidence of the two main cattle-killing diseases to levels that allow for the re-establishment and growth of smallholder cattle herds; and to restock poor smallholder farmers, who have lost their cattle to disease in a way that provides sustainable access to draught animal power. Building on the experience of previous related interventions, the project will strengthen national capacities for animal disease control and restock poor smallholders who have the resources and potential to utilize and maintain cattle for draught animal power. Vital related policy issues will be promoted during project implementation including: developing arrangements for cost recovery and flow of funds for vaccination campaigns; formulating equitable and sound rules for the provision of cattle to poor farmers; and assessing the viability and affordability of public field services, which are being undermined by privatization, competition from externally funded projects and extended periods of underfunding.

**Who are the beneficiaries?** The target group consists of poor smallholder farmers who do not own draught animals – and have limited access to them – and have sufficient assets to realize the potential benefits of improved access to this resource. The beneficiaries of the disease control activities comprise an estimated 180 000 households, who in addition to target group members, include many better-off cattle-owning households. This is justified as it improves the target group's access to draught animal power and is a precondition for the successful restocking of poor smallholder farmers. The restocking activities will benefit an estimated 30 000 households of which 10 000 are headed by women.

**Why are they poor?** Three out of four rural people live below the poverty line and more than half are extremely poor and unable to meet minimum nutritional requirements. A disproportionately large number of extremely poor households are headed by women or affected by HIV/AIDS, tuberculosis or malaria. Many poor or extremely poor households used to own cattle or have access to draught animal power but lost such access due to epidemic cattle-killing diseases. These households are now obliged to cultivate their land using hand hoes. They are therefore unable to cultivate a sufficiently large area to satisfy household food requirements. Access to draught animal power would allow most of these households to cultivate 2 to 4 hectares of land – enough to ensure household food security.

**How will they benefit?** Under the activities to restock poor smallholder farmers, community organizations will be provided with locally purchased cattle to manage. Based on customary practices, these cattle will be shared and off-spring will be distributed, increasing ownership of and access to draught animal power for land cultivation and manure. This will enable a major expansion of the area cropped by the target group and thus increased crop production and household food security and income. The target group will benefit indirectly from investments to improve animal disease control through the greater availability of draught animal power and manure resulting from expanded cattle ownership among better-off households. Improved animal disease control will also permit many poor households to build larger cattle herds over time through endogenous and market-driven mechanisms.

**How will they participate?** Capacity at the community level is insufficient to manage the main animal disease control activities. Community participation in these activities will be limited to presenting the targeted animals for vaccination at the appointed time and place and – in the case of east coast fever vaccinations – paying most of the cost of the vaccination. Communities benefiting from the cattle restocking will be self-selected and will take part in mobilization, training activities and cattle selection. Decisions concerning who will look after and eventually own the cattle will be taken by the community within the rules of the project. Communities will share a strong interest in ensuring the health and welfare of the cattle and sustaining the pass-on process.



**REPORT AND RECOMMENDATION OF THE PRESIDENT OF IFAD  
TO THE EXECUTIVE BOARD ON A PROPOSED LOAN TO THE  
REPUBLIC OF ZAMBIA  
FOR THE  
SMALLHOLDER LIVESTOCK INVESTMENT PROJECT**

I submit the following report and recommendation on a proposed loan to the Republic of Zambia for SDR 7.00 million (equivalent to approximately USD 10.12 million) on highly concessional terms to help finance the Smallholder Livestock Investment Project. The loan will have a term of 40 years, including a grace period of ten years, with a service charge of three fourths of one per cent (0.75%) per annum. It will be administered by the United Nations Office for Project Services as IFAD's cooperating institution.

**PART I – THE ECONOMY, SECTORAL CONTEXT AND IFAD STRATEGY<sup>1</sup>**

**A. The Economy and Agricultural Sector**

1. Zambia covers an area of 752 610 km<sup>2</sup> on the south-central African plateau. The country has a population of 10.5 million (2004), which is growing at a rate of 1.3% per annum, down from the previous level of 2.4% mainly as a result of rising child mortality and the spread of HIV/AIDS, the prevalence rate of which is 16%. Due to its economic history of mining and related industry, only 64% of the population are rural. Gross national income per capita is USD 380 (2003). After three decades of economic decline, partly caused by problems in the mining sector such as falling international copper prices, Zambia is now classified as a least developed country, ranking 166<sup>th</sup> out of 177 countries included in the Human Development Index (2005). Two out of three Zambians now live below the poverty line. In rural areas, three out of four people are poor and more than half are extremely poor and unable to meet basic nutritional requirements. Over the past two years, macroeconomic management, which has been problematic in the past, has improved and the completion point under the enhanced Debt Initiative for Heavily Indebted Poor Countries was reached in 2005. These positive developments have coincided with increased international copper prices leading to expanded mining operations and an increase in the annual GDP growth rate to more than 5%.

2. Depending on rainfall, agriculture contributes between one fifth and one quarter of GDP. The agro-food complex normally contributes about 40%. Some 85% of farming operations are by subsistence farmers, who cultivate three quarters of the cropped area – the remainder is cultivated by commercial farmers. Only one fifth of the country's arable land is cultivated. In response to economic liberalization over the past decade, the agricultural sector has increased its share of non-traditional exports: the main export commodities are now cotton lint, flowers, sugar, tobacco and vegetables, most of which are grown under contract farming arrangements. Livestock contributes 35% to agricultural value-added, provides essential food products and helps sustain food production. Mixed farming dominates the smallholder sector and smallholders depend on access to cattle for their food security as cattle provide draught animal power and manure. Cattle owned by smallholder farmers are

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<sup>1</sup> See Appendix I for additional information.

normally husbanded by kinship groups, known as kraals, with long-established local arrangements for using, sharing and hiring cattle. Where cattle are scarce or unaffordable, smallholders rely on hand tillage. The number of farmers reverting to hand tillage increased dramatically during the 1990s because of cattle mortalities from disease epidemics.

3. The two main cattle-killing diseases are east coast fever (ECF) and contagious bovine pleuropneumonia (CBPP). ECF, which is also known as corridor disease is a tick-borne disease that is active in and threatens cattle in Southern, Eastern, Lusaka, Central and Copperbelt Provinces. Smallholders report losing 30-50% of their cattle during outbreaks, with losses as high as 90% reported by some traditional community organizations. Over the past two and a half decades, outbreaks of ECF have halved the cattle population in Southern Province to 500 000 heads. A contributing factor has been the failure of community-managed cattle dips to control the disease following divestiture of what was previously a free government service. A limited recovery has been made in recent years through one-off vaccination of juvenile cattle. CBPP, a highly infectious transboundary disease of national importance, has spread from Angola through refugee movements and the abandonment of the buffer zone, which had kept the disease west of the border. Outbreaks of CBPP cause mortalities as high as 50% among cattle and severely reduced productivity among 40% of the surviving stock. In contrast to ECF, which is endemic, a sustained vaccination campaign could push CBPP back to Zambia's borders, and – with international cooperation – beyond them.

### **B. Lessons Learned from Previous IFAD Experience**

4. IFAD has provided eleven loans totalling USD 125 million to help finance nine interventions in Zambia. The first projects sought to cushion the rural poor from the effects of central planning and support the structural adjustment process. These projects were followed by interventions to improve household food security and reduce vulnerability through support services, increase access to productive assets and technical knowledge, and diversify incomes. These interventions, all of which have closed, were implemented through existing government structures. Project implementation often encountered delays and administrative difficulties in procurement, disbursement and counterpart funding. Frequently, inadequate staffing constrained implementation, effecting transfers of resources to field-level implementers was difficult, and auditing of accounts was delayed. IFAD recognizes that instances of inadequate design contributed to implementation difficulties, particularly with regard to the two recently closed interventions, which were designed and implemented as part of the government Agricultural Sector Investment Programme. Although poverty among some smallholders has been reduced under IFAD-assisted projects, results have been disappointing and the benefits accruing to the rural poor have not, in general, been sustainable.

5. The design of the two ongoing IFAD-supported interventions in Zambia is based on these lessons. Under these interventions, the Government generally contracts suitable private-sector bodies and NGOs to deliver investments and services to poor rural people. Overall project management and coordination, however, remains the responsibility of the Government. Although the new arrangements have exposed limited contract management capacity in government ministries, growing experience and implementation assistance from IFAD and its cooperating institution are leading to improved planning, monitoring and evaluation, and, gradually, to better results. Slow procurement however continues to cause implementation delays.

6. Long-standing weaknesses in the organizational and institutional framework for programmatic coordination and management of agricultural and rural development support constrained the implementation of the Agricultural Sector Investment Programme. Although some of the weaknesses are beginning to be addressed, it will take time to develop a realistic framework. A final lesson, which has been learned from the ongoing IFAD-supported interventions, is that the present practice of informally coordinating assistance to underpin specific elements of the Government's evolving policy

and strategic framework through, for example, the Agricultural Consultative Forum, is suitable under the current circumstances.

### C. IFAD's Strategy for Collaboration with Zambia

7. **Zambia's policy for poverty eradication.** Zambia's poverty reduction strategy covers the period 2001-2005 and proposes reducing poverty through investments in key economic sectors, with a primary focus on agricultural and rural development and proactive policies on HIV/AIDS, gender and the environment integrated across the main sectors of the economy. The main instruments include improving rural infrastructure; creating rural employment through promotion of large-scale ventures; strengthening the linkage of smallholders to commercial producers and agribusiness; stimulating small-scale rural enterprises; assisting the poorest rural people with limited possibilities for engaging in market-based activities to improve their access to food through improved food production techniques; and strengthening social services in education, health and sanitation. In agriculture, the provisions of the poverty reduction strategy are complemented by a recently approved national agricultural and cooperatives policy and an agricultural commercialization programme focused on marketing, finance and investment, technology development and dissemination, sector management and coordination, and infrastructure.

8. The policy and strategic framework for the livestock subsector is derived from the Livestock Development Plan and assigns high priority to controlling epidemic livestock diseases with national economic implications such as CBPP, in addition to restocking and increasing overall livestock production; improving the productivity and management of marketable livestock products, especially in the smallholder sector; and providing the public services necessary for the growth of the sector. However, few of these initiatives have been implemented, apart from the establishment of various quasi-public trusts with specific mandates, such as the Livestock Development Trust. Much of the policy and regulatory framework for the livestock subsector dates back to the era of state-led development despite the fact that suitable policies, legislation and action plans have since been drafted. Other strategic and policy measures guiding the implementation of rural poverty reduction initiatives include a national gender policy, which mainstreams gender issues through gender focal points in ministries and agencies and the national strategic framework developed to respond to the HIV/AIDS pandemic.

9. **The poverty eradication activities of other major donors.** Some smallholder livestock development activities have been funded in the past, often as minor components of broader interventions, however, few donors have substantial ongoing or prospective subsector support programmes. Assistance is being provided by Norway, the Netherlands and the United States of America to increase the capacity of the Livestock Development Trust to enable it to consolidate its position and act as a service-provider, according to its mandate. Germany is supporting NGOs in minor restocking activities, mostly focusing on small stock. Sweden is supporting a Smallholder Livestock Intensification and Commercialization Programme, using the Livestock Development Trust and the Zambia Agribusiness Technical Assistance Centre for restocking, livestock-breeding, extension and the development of milk collection centres and market centres. In early 2005, the African Development Bank appraised a Smallholder Agricultural Production and Marketing Support Project, which includes a component for smallholder dairy development and the provision of policy support. The World Bank has been preparing an Agricultural Development Support Project with possible assistance for policy analysis and institutional framework facilitation, and development of agricultural infrastructure and agricultural research.

10. Belgium has funded the Assistance to the Veterinary Services of Zambia project. This project, which closed in 2003, provided vaccines, vaccination campaigns and cold chain support. Emergency programmes to control CBPP have recently been supported by Denmark, the United States, the European Union and the Food and Agriculture Organization of the United Nations. International

NGOs including the International Committee of the Red Cross, World Vision, Send a Cow, and Plan International are implementing small-scale livestock programmes and out-grower schemes throughout the country. Land O'Lakes supports business training in dairy production and provides loans for milk collection centres, equipment, milk transportation vehicles and animals. Keepers Zambia Foundation has worked with the Livestock Development Trust to maintain a cold chain for vaccine delivery in some parts of the country. CARE International, which provides support services, veterinary drugs, bicycles, dairy training and supports the construction of milk collection centres was contracted to implement a European Union-funded CBPP vaccination programme. Heifer International has used district staff of the Ministry of Agriculture and Cooperatives to train farmers in cattle distribution. Most NGO-supported interventions avail of the services of the livestock assistants of the Ministry of Agriculture and Cooperatives for programme delivery.

11. **IFAD's strategy in Zambia.** The country strategic opportunities paper (COSOP) approved in April 2004 is the basic policy document informing IFAD support to Zambia. The first strategic thrust of the COSOP is to promote smallholder commercialization, including the establishment of equitable links between smallholders and agribusiness and improving access to rural financial services. The second thrust is to assist the more isolated rural populations in raising their productivity, food production and income levels by expanding the outreach and relevance of services and investments to the poorest productive rural households, including women-headed and HIV/AIDS-affected households. It is anticipated that key areas for policy dialogue in the context of the two strategic thrust will be: regulatory and institutional issues related to oversight of the rural financial services sector and the development of policy, regulatory and institutional arrangements for the control of livestock diseases. Finally, the COSOP predicted a role for IFAD as a major donor in the area of reinvigorating the smallholder livestock sector, noting that the sector had been severely affected by repeated outbreaks of disease following the withdrawal of public veterinary services in the 1990s.

12. **Project rationale.** The majority of Zambia's rural population rely for their livelihoods on small-scale mixed farming enterprises; they produce staple foods and raise limited numbers of cattle, small stock and poultry and grow cash crops if there are larger settlements and out grower operations in the vicinity. Characterized by low input/low output technology and vulnerability to rain failure, these farms are failing to provide sufficient household income in the majority of cases. Fifty-four per cent of rural households are extremely poor, living below the poverty line and going hungry for several months of the year. A further 22% live below the national poverty datum line, which is based on purchasing power, and are classified as poor. Together, these strata make up three quarters of poor subsistence farmers.

13. The main determinant in escaping from food insecurity and poverty is access to cattle in combination with other factors of production. Cattle are essential to mixed farming operations, since the draught power they supply permits cultivation of much larger areas than is possible with hand implements and the production of cash as well as subsistence crops. They also supply farmyard manure essential to raising the productivity of the light sandy soils found in most areas. Cattle also provide other benefits in the form of meat, milk and by-products, are fundamental to culture and tradition by being pivotal in the prestige stakes, and are used for dowries, savings for school and other expenses, and as a bridge when crops fail. However, the national cattle herd has been reduced substantially with most losses suffered by the smallholder sector, leaving many poor rural people struggling for survival. This drastic reduction in livestock numbers is mostly attributable to the cessation of public control measures against economically significant domestic and transboundary animal diseases. It has been aggravated by drought, and to some extent, by the HIV/AIDS pandemic, which has reduced the availability of farm labour. The project is designed, therefore, to restore poor smallholders' access to draught animal power through a combination of support – disease control, restocking and beneficiary training – on the grounds that this renewed access to draught animal power will enhance the opportunities of poor smallholders to escape from poverty.

## PART II – THE PROJECT

### A. Project Area and Target Group

14. The project will have national coverage. Intervention areas will be determined based on the prevalence of CBPP and ECF and the economic importance of cattle in farming systems in the area. It is expected that ECF control activities will be concentrated mainly in Eastern, Central, Copperbelt and Southern Provinces, and those for CBPP in Western, North-Western and Northern Provinces. However, the actual intervention areas will follow disease prevalence criteria rather than administrative boundaries. The actual project areas will be selected on the basis of: the results of a national scoping study to determine areas of concentration of eligible communities that have lost cattle; subsequent annual cluster screening studies to select clusters of kinship groups that are willing to participate in the project and that conform with eligibility criteria; and the identification of an effective vaccine against the ECF strains prevalent in Central Province and Copperbelt Province. In geographical terms, activities under the draught animal power-oriented restocking component will be closely linked with the investments in animal disease control, as a reduced risk of cattle mortality is a precondition for restoring smallholders' access to animal draught power.

15. The project beneficiaries are poor smallholders who do not own draught animals – and have limited access to this resource – but have enough productive capacity, in terms of land, labour and implements to fully realize the potential benefits of improved access to draught animal power. Beneficiaries are mainly extremely poor and moderately poor households, which represent 60-70% of the total rural population and more than 85% of the rural poor. At present, the 10% destitute households at the bottom of the poverty scale are likely to remain excluded from the project's target group, as their chronic lack of productive capacity greatly limits their ability to reap the agricultural benefits of increased access to draught animal power. As destitute households they need to be targeted by safety-net assistance. However, the project's group-based approach builds on the traditional kinship ties and reciprocal responsibilities of traditional groups and could reach these households by opening a window of opportunity for those who can be regarded as the economically active poor.

16. The project's animal disease control activities will benefit a large number of households outside the primary target group, namely better-off cattle-owning households. From the target group perspective, however, this is justified, as it increases the availability of and access to cattle-related resources. It is also a precondition for successful restocking of smallholder farmers with cattle.

### B. Objectives and Scope

17. The goal is to increase incomes and food security among poor smallholder farmers through restored access to draught animal power. The project's two objectives are: (i) reduction in the incidence of CBPP and ECF to levels that allow smallholders' cattle herds to be re-established and to grow; and (ii) adequate restocking of poor smallholder farmers who have lost their cattle to disease, in a way that will provide them with sustainable access to draught animal power.

18. The project focuses on enabling poor farmers, particularly women, to generate an adequate livelihood from viable mixed small-farming enterprises in a market environment without the need for subsidies or continuous welfare support. Alternative interventions will be fruitless as long as the country's core subsistence farming activities remain in a state of collapse.

### C. Components

19. The project is designed in three components to be implemented over seven years with appropriate sequencing that includes an exclusive focus on preparatory activities during the first half year of implementation. The components are: (i) animal disease control; (ii) draught animal power-oriented restocking; and (iii) project management.

#### **Animal Disease Control (USD 7.8 million base costs)**

20. The objective of the animal disease control component is to strengthen government disease control capacity and reduce the incidence of ECF and CBPP to levels that permit re-establishment and growth of smallholder cattle herds.

21. The **disease control development** subcomponent will strengthen government capacity to plan and implement disease control activities, particularly with respect to ECF management and research and CBPP eradication. The project will strengthen the Disease Control Sub-unit (DCSU) that was recently established within the Disease Control and Interface Unit of the Veterinary Field Services Section, Department of Veterinary and Livestock Development. The DCSU will comprise a coordinator, two diagnosticians and one full-time epidemiologist for ECF and one for CBPP. Short-term technical backstopping will be provided throughout the project by a disease control specialist. The DCSU will be equipped to process surveillance and sero-survey data for preparing disease prevalence maps. The epidemiologists will be trained in disease control planning and survey design and will study disease control in neighbouring countries to permit the Ministry of Agriculture and Cooperatives to learn from experiences in other countries and strengthen its participation in regional animal disease control networks. The DCSU will focus initially on collating data directly relating to the planning and implementing of disease control measures for ECF and CBPP. As the unit becomes experienced, it will assume responsibility for the epidemiology of all livestock diseases. The subcomponent will also assist the Central Veterinary Research Institute in its functions including the processing of more than 20 000 ECF-related samples and 90 000 CBPP-related samples. This will be achieved through the provision of vehicles (including a mobile laboratory); computing hardware and software; laboratory equipment and consumables; bench training for laboratory personnel; and field trip equipment.

22. The **east coast fever management and research** subcomponent will provide prevaccination surveys, organize vaccination campaigns against ECF, and identify the ECF strain in Central Province and Copperbelt Province as a basis for developing a vaccine and initiating vaccination campaigns in these provinces. Field teams comprising DCSU staff, livestock assistants and a driver will be provided with transport and field allowances to conduct initial pre-vaccination surveys in Southern Province and Eastern Province and subsequently undertake vaccination campaigns and a post-vaccination surveillance survey in each district. Coverage will be extended from ten districts initially to fifteen districts from project year four onwards. Each district team and each province involved in implementing the subcomponent will be provided with a four-wheel drive twin-cab pickup, vaccinating equipment, camping equipment and e-mail connections to facilitate disease-reporting. Vaccine requirements are estimated at 725 700 doses, based on district biannual campaigns covering half of the juveniles in each campaign and reaching 70% of the overall cattle population. Approximately 938 000 juveniles are targeted for vaccination during the project period. The subcomponent will also fund an ECF research programme by the Central Veterinary Research Institute to identify local strain(s) of *Theileria parva* in order to establish which of the two local stabilates are effective in Central Province and Copperbelt Province. If trials demonstrate commonality with *Theileria parva* strains in Southern Province, vaccinations in Central Province will begin using Chitongo stock vaccine in the third project year. A different strain would require development of a new vaccine involving at least four years of testing. Trial results could go either way and provision is made for both eventualities.

23. The **contagious bovine pleuropneumonia eradication** subcomponent will eliminate CBPP through a six-year control programme designed, planned and implemented in strict accordance with World Organisation for Animal Health (OIE) guidelines. CBPP is present in some areas in all seven districts of Western Province and in five districts of North-Western Province. In the north-east of Northern Province three districts are under threat by CBPP through the herds of Masai cattle in the United Republic of Tanzania. Provision has been made for sampling up to 10% of the target cattle population in low risk areas and 100% in areas of high risk. Pre-vaccination screening will include: clinical diagnoses, post mortems and meat inspection. Diagnostic analyses by the Central Veterinary Research Institute for mycoplasma mycoides will result in: the removal and slaughter of serological positive reactors; base data for planning the disease eradication campaign, including the ordering of vaccine; the preparation of disease prevalence maps to identify disease “hot-spots”; and the enforcement of livestock movement regulations between provinces and districts. The subcomponent will fund district field teams of five persons to survey and oversee control measures. Each province and district team involved in implementing the subcomponent will be supplied with a four-wheel drive twin-cab pickup and camping equipment, and each of the fifteen district offices will be provided with annual internet subscriptions to facilitate disease-reporting. Provision has been made for the procurement of 3.8 million doses of CBPP vaccine, sufficient to vaccinate 90% of the estimated target herd. Procurement and dose-allocation by year will be undertaken annually, on the basis of assessments of requirements on the ground. The gradual clearance of the disease from vaccination areas as project work progresses implies that the number of doses required will decline rapidly towards the end of the project.

#### **Draught Animal Power-Oriented Restocking (USD 4.1 million base costs)**

24. The objective of the draught animal power-oriented restocking component is to provide poor smallholder farmers who have lost their cattle to disease with sustainable access to draught animal power by restocking them with cattle. The activities will be implemented through contracts with private-sector and NGO service-providers.

25. The **support to livestock transfer management** subcomponent aims to assure the competence of local private-sector agencies contracted to carry out the livestock transfers of the second subcomponent. The activities include an initial national scoping study to identify concentrations of communities that have lost draught and breeding cattle; opportunities workshops focused on training relevant private-sector service-providers in project-related contracting and subcontracting procedures; training programme development to elaborate course curricula for beneficiary groups on crops, livestock, and family health and hygiene; and management support through short-term contracting of a draught animal power restocking specialist to prepare livestock transfer contracts and advise on transfer management.

26. The **livestock transfers** subcomponent will provide the background information required for livestock distribution and implement, monitor and support the livestock transfers. Based on the national scoping study, annual cluster screening studies will identify clusters of kinship groups that are interested in participating in the project and meet the eligibility criteria. Livestock distribution will be implemented under contract by one or more principal livestock contractors who will be responsible for running awareness-raising campaigns for beneficiaries; building group capacity in beneficiary kinship groups; implementing skills training programme; training community livestock workers; acquiring and delivering cattle destined for the beneficiary kinship groups; ensuring that beneficiary kinship groups comply with agreed arrangements; and monitoring cattle performance in collaboration with veterinary and livestock production staff from the Ministry of Agriculture and Cooperatives for soundness, health and fertility.

**Project Management (USD 1.9 million base costs)**

27. The component will assist the Government of Zambia in implementing the animal disease control component and draught animal power-oriented restocking component by establishing a dedicated project coordination unit within the Department of Veterinary and Livestock Development to manage day-to-day project operations on behalf of the Ministry of Agriculture and Cooperatives. Funds will be provided for the recruitment of a project coordinator, a procurement and financial manager, a monitoring and evaluation manager, a draught animal power restocking manager and the required support staff. The project will equip the project coordination unit with vehicles, computers and other office equipment and provide resources for recurrent vehicle and office costs and allowances for field work.

**D. Costs and Financing**

28. Total project costs including contingencies, duties and taxes over the seven-year implementation period are estimated at USD 14.99 million. Physical contingencies account for USD 252 400 and price contingencies for USD 920 600 or respectively 2% and 7% of the total base costs of USD 13.82 million. The foreign exchange element accounts for USD 4.76 million or 32% of the total project costs, and taxes and duties amount to USD 1.81 million or 12%. Investment costs and recurrent costs constitute 70% and 30% of base costs respectively.

29. The project will be financed by an IFAD loan of USD 10.11 million (67.5% of total costs), a contribution by the Government of Zambia of USD 2.63 million (17.5%) and a beneficiary contribution of USD 2.25 million (15%). In addition to duties and taxes, the Government will finance the salaries of government staff involved in project implementation. Taxes and duties represent foregone revenue and will have a neutral effect on the public budget. Salaries are not incremental for the Government as no new permanent positions will be created and existing staff will allocate some of their time to project activities. The beneficiaries will finance an increasing portion of the costs of ECF vaccination delivery, rising from the current level of 20% to 80% towards the end of the project.



TABLE 1: SUMMARY OF PROJECT COSTS<sup>a</sup>  
(USD '000)

Component	Local	Foreign	Total	% of Foreign Exchange	% of Base Costs
<b>A. Animal disease control</b>					
1. Disease control development	537.6	624.1	1 161.7	54	8
2. ECF management and research	2 507.2	2 336.7	4 843.9	48	35
3. CBPP eradication	1 020.5	736.0	1 756.6	42	13
<b>Subtotal</b>	<b>4 065.3</b>	<b>3 696.8</b>	<b>7 762.1</b>	<b>48</b>	<b>56</b>
<b>B. Draught animal power-oriented restocking</b>					
1. Support to livestock transfer management	607.5	313.7	921.2	34	7
2. Livestock transfers	3 053.8	134.7	3 188.5	4	23
<b>Subtotal</b>	<b>3 661.4</b>	<b>448.4</b>	<b>4 109.7</b>	<b>11</b>	<b>30</b>
<b>C. Project management</b>	<b>1 734.2</b>	<b>214.3</b>	<b>1 948.5</b>	<b>11</b>	<b>14</b>
<b>Total base costs</b>	<b>9 460.9</b>	<b>4 359.5</b>	<b>13 820.4</b>	<b>32</b>	<b>100</b>
Physical contingencies	108.5	143.9	252.4	57	2
Price contingencies	661.4	259.2	920.6	28	7
<b>Total project costs</b>	<b>10 230.9</b>	<b>4 762.6</b>	<b>14 993.4</b>	<b>32</b>	<b>108</b>

<sup>a</sup> Discrepancies in totals are due to rounding.

TABLE 2: FINANCING PLAN<sup>a</sup>  
(USD '000)

Component	Government		IFAD		Beneficiaries		Total		Foreign Exchange	Local (Excl. Taxes)	Duties and Taxes
	Amt.	%	Amt.	%	Amt.	%	Amt.	%			
<b>A. Animal disease control</b>											
1. Disease control development	262	21.0	986	79.0	-	-	1 249	8.3	670	397	182
2. ECF management and research	1 372	25.6	1 735	32.4	2 251	42.0	5 358	35.7	2 602	1 755	1 001
3. CBPP eradication	612	33.4	1 223	66.6	-	-	1 835	12.2	773	718	344
<b>Subtotal</b>	<b>2 246</b>	<b>26.6</b>	<b>3 944</b>	<b>46.7</b>	<b>2 251</b>	<b>26.7</b>	<b>8 441</b>	<b>56.3</b>	<b>4 045</b>	<b>2 870</b>	<b>1 527</b>
<b>B. Draught animal power-oriented restocking</b>											
1. Support to livestock transfer management	187	18.5	824	81.5	-	-	1 011	6.7	343	575	93
2. Livestock transfers	124	3.6	3 337	96.4	-	-	3 461	23.1	146	3 190	124
<b>Subtotal</b>	<b>312</b>	<b>7.0</b>	<b>4 160</b>	<b>93.0</b>	<b>-</b>	<b>-</b>	<b>4 472</b>	<b>29.8</b>	<b>490</b>	<b>3 765</b>	<b>217</b>
<b>C. Project management</b>	<b>70</b>	<b>3.4</b>	<b>2 010</b>	<b>96.6</b>	<b>-</b>	<b>-</b>	<b>2 080</b>	<b>13.9</b>	<b>228</b>	<b>1 782</b>	<b>70</b>
<b>Total project costs</b>	<b>2 628</b>	<b>17.5</b>	<b>10 114</b>	<b>67.5</b>	<b>2 251</b>	<b>15.0</b>	<b>14 993</b>	<b>100.0</b>	<b>4 763</b>	<b>8 416</b>	<b>1 814</b>

<sup>a</sup> Discrepancies in totals are due to rounding.

### **E. Procurement, Disbursement, Accounts and Audits**

30. **Procurement.** Goods and services will be procured in accordance with government procedures to the extent that they are compatible with IFAD's procurement guidelines. Based on the approved annual procurement plan, the following thresholds and procedures will apply: (i) international competitive bidding for contracts for goods and services estimated to cost USD 250 000 or more; (ii) local competitive bidding for contracts for goods and services costing between USD 20 000 and USD 250 000; and (iii) national shopping for contracts for goods and services below USD 20 000. Selection and employment of consultants will be in accordance with government procedures to the extent that these are compatible with IFAD's guidelines for procurement of consulting services. Cattle will be purchased locally.

31. **Disbursement.** The IFAD loan will be disbursed over seven years. The Ministry of Finance and National Planning will open a special account denominated in United States dollars in a commercial bank acceptable to IFAD. The special account will be maintained and operate in accordance with provisions established in the loan agreement. Payments for expenditures costing less than USD 25 000 for (i) goods and services and (ii) local training and incremental operating costs will be reimbursed by IFAD against certified statements of expenditure with related supporting documents being retained by the project coordination unit (PCU) for review by supervision missions and the annual audit of the project accounts. Withdrawal applications for all other expenditures will be documented in accordance with IFAD disbursement procedures. A project account will be opened in Zambian kwacha in a commercial bank acceptable to the Fund.

32. **Accounts and audits.** The PCU will adopt accounting systems to ensure that project accounting records and financial statements are prepared and maintained in accordance with international accounting standards and government requirements. The PCU will consolidate all financial information and periodically report to the Government, IFAD, the cooperating institution and the auditors. The audit of accounts and financial statements will be undertaken for each fiscal year on the basis of international standards on auditing and in accordance with IFAD's audit guidelines. The Auditor-General will select independent auditors for this purpose on the basis of IFAD guidelines.

### **F. Organization and Management**

33. Project implementation will be the responsibility of the Ministry of Agriculture and Cooperatives. Overall policy and technical direction and guidance will be provided by a project steering committee to be created under the chairmanship of the Permanent Secretary for Agriculture, with a composition acceptable to IFAD. The PCU will handle the day-to-day management of project implementation and will be responsible for the planning, coordination and continuous review of project outputs and effectiveness in relation to the project's goal and objectives. Project activities will be implemented by a partnership of public-service management and technical units, mainly the Department of Veterinary and Livestock Development; private-sector entities such as private enterprises and NGOs; and farmers' organizations working within a framework of performance-based contracts and memoranda of understanding.

34. Successful monitoring and evaluation of project activities will require active participation by all parties involved in implementation, with the PCU exercising overall responsibility. The monitoring system will entail quarterly reports based on the logical framework and the annual workplans and budgets, and will be organized by component. The PCU will define and manage the monitoring system using the indicators proposed in the logical framework, in conformity with the requirements of IFAD's Results and Impact Management System. In conjunction with contracted service-providers, the PCU will carry out a benchmark or baseline survey and the national scoping study. The identification of project beneficiaries in a given fiscal year and the benchmarks will be annually

revisited during the cluster screening studies, which will also assess project impact. In preparation for the midterm review, a study will provide a thorough assessment of project impact and describe lessons learned. A final impact assessment will be carried out prior to project completion.

### **G. Economic Justification**

35. The expected financial benefits at the household level have been estimated using livestock models and herd projections for the investment in animal disease control, and farm models to quantify the benefits arising from increased availability of draught animal power and manure. Herd projections based on a scenario with disease control investment demonstrate significant positive effects in terms of stock relative to the projections without such disease control. The expected benefits both in number of heads of cattle and in value are considerably higher for CBPP than for ECF vaccinations. The farm models show the three main benefits of increased availability of draught animal power and manure at the farm level: increases in yield per hectare as a result of more efficient tillage and manure application; increases in cropped areas resulting from access to draught animal power, which eases labour constraints; and reduced labour requirements per hectare and increased labour productivity. The farm models demonstrate that annual family income more than doubles as a result of access to draught animal power and manure. Applying the “with project scenario” income levels reach USD 170-260 for households headed by men and USD 100-150 for households headed by women. The economic rate of return of the project’s investments, calculated over a period of 20 years, is estimated at 14.8%. This would fall to 10.9% and 7.5% if project benefits were to be delayed by one and two years respectively.

### **H. Risks**

36. The main project risks are institutional and managerial rather than technical or scientific. In general, there is a high degree of understanding of the role of livestock in smallholder agriculture, evident in established local patterns of keeping cattle and sharing cattle services. The project incorporates the most efficacious livestock transfer mechanisms and optimum design of animal disease control regimens, e.g. vaccination rather than dipping for ECF control, and provides the potential for a realistic public-private partnership approach in supporting farmers in remote areas. Some concerns remain, however, about the long-term commitment to fund the essential public-sector activities, the effective use of installed field service cadres and government capacity to manage service contracts. The proposed investments will be sustainable only if the Ministry of Agriculture and Cooperatives is left at project end with a refined, effective and affordable operating system to maintain control of ECF, CBPP and other animal diseases. To mitigate these risks, the project design takes a minimalist and affordable approach to essential institutional strengthening at the national and local levels and provides for full-time dedicated staffing, comprehensive beneficiary participation and post-project institutional and technical sustainability.

### **I. Environmental Impact**

37. Project activities have undergone environmental screening. The scope of the project is limited to restoring lost arable crop production and reducing livestock losses to levels that have been sustainable in the past. No negative environmental impact is anticipated from the disease control measures or village-based cattle transfer interventions supported under the project. The vaccination-based approach to ECF management is environmentally greatly superior to the dip-based tick control system currently being used with limited effectiveness in parts of the country. The overall approach is to restock small-scale mixed farming enterprises that are well adapted to prevailing environmental conditions. Overall, the project has been assigned the environmental category “B” and no formal environmental assessment or analyses are considered necessary.

### **J. Innovative Features**

38. The central innovative feature of the project is the use of the traditional system of cattle management to establish a sustainable asset base for poor smallholders engaged in mixed farming, which improves household food security and income. Key aspects of this innovation are: establishment of a group-owned asset in the form of the foundation herds; complete management and ownership by beneficiaries of the assets transferred under the project; and the project's transfer arrangements, which will revitalize customary patterns of mutual support, allowing project benefits to reach even the poorest farming families, provided they are willing to avail of the opportunities.

### **PART III – LEGAL INSTRUMENTS AND AUTHORITY**

39. A loan agreement between the Republic of Zambia and IFAD will constitute the legal instrument for extending the proposed loan to the borrower. A summary of the important supplementary assurances included in the negotiated loan agreement is attached as an annex.

40. The Republic of Zambia is empowered under its laws to borrow from IFAD.

41. I am satisfied that the proposed loan will comply with the Agreement Establishing IFAD.

### **PART IV – RECOMMENDATION**

42. I recommend that the Executive Board approve the proposed loan in terms of the following resolution:

RESOLVED: that the Fund shall make a loan to the Republic of Zambia in various currencies in an amount equivalent to seven million special drawing rights (SDR 7 000 000) to mature on or prior to 1 December 2045 and to bear a service charge of three fourths of one per cent (0.75%) per annum, and to be upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge  
President

**SUMMARY OF IMPORTANT SUPPLEMENTARY ASSURANCES  
INCLUDED IN THE NEGOTIATED LOAN AGREEMENT  
(Negotiations concluded on 12 November 2005)**

1. The Ministry of Agriculture and Cooperatives (MAC) of the Government of the Republic of Zambia (the “Government”) will open and thereafter maintain in a commercial bank acceptable to IFAD a current account denominated in Zambian kwacha for project operations.
2. **Pest management practices.** As part of maintaining sound environmental practices as required by IFAD, the Government will ensure that all implementing agencies will maintain appropriate pest management practices under the project and, to that end, the Government will ensure that pesticides under the project do not include any pesticide either proscribed by the Food and Agriculture Organization of the United Nations or the World Health Organization.
3. **Counterpart funds.** The Government will exempt from taxes the importation, procurement and supply of all goods, civil works and services financed by the loan agreement. The value of such exemptions will be credited against the obligation of the Government to provide counterpart funds for the project. The value of the counterpart funds excludes the value of salaries paid to Government staff involved in the implementation of the project.
4. **Insurance of project personnel.** The Government will ensure that key project personnel are insured against health and accident risks to the extent consistent with customary procedures.
5. **Gender focus.** The Government and each project party will ensure that women are represented in project activities and that women receive appropriate benefits from the project’s outputs.
6. **Vehicle maintenance and use.** The MAC will make available and maintain the vehicles provided under the project for the planned disease control activities and to support the draught animal power-oriented restocking activities.
7. **Technical assistance.** The MAC will recruit technical assistance as required for implementing the project activities.
8. **Community contribution.** For vaccinations against ECF, farmers will pay a progressively increasing share of the full cost of vaccinations, including costs of vaccines and direct delivery costs, which will be paid into the ECF Reserve Account.
9. **Suspension.** IFAD:
  - (a) may suspend, in whole or in part, the right of the Government to request withdrawals from the loan account upon the occurrence of any of the events set forth or if the project implementation manual or any provision thereof has been waived, suspended, terminated, amended or modified without the prior consent of IFAD; and
  - (b) will suspend, in whole or in part, the right of the Government to request withdrawals from the loan account if the audit report required by the loan agreement has not been satisfactorily completed within 12 months after the financial reporting period set forth therein.

10. **Conditions of effectiveness.** The following are specified as conditions precedent to the effectiveness of the loan agreement:

- (a) the MAC has established the project steering committee;
- (b) the PCU has been duly established, including the appointment of the project coordinator, procurement and financial manager, monitoring and evaluation manager, and a draught animal power restocking manager with qualifications and experience and under terms of reference satisfactory to IFAD;
- (c) the draft project implementation manual has been approved by the Fund;
- (d) the draft annual workplan and budget for project year 1 has been approved by the Fund;
- (e) the Government has established an ECF Reserve Account into which beneficiary payments for ECF vaccinations will be paid, with operating modalities satisfactory to IFAD;
- (f) the loan agreement has been duly signed, and the signature and performance thereof by the Government have been duly authorized and ratified by all necessary administrative and governmental action; and
- (g) a favourable legal opinion, issued by the Attorney-General or other legal counsel acceptable to IFAD and in form and substance acceptable to IFAD, has been delivered by the Government to IFAD.

APPENDIX I

COUNTRY DATA

<b>Land area (km<sup>2</sup> thousand) 2003 1/</b>	743	<b>GNI per capita (USD) 2003 1/</b>	380
<b>Total population (million) 2003 1/</b>	10.40	<b>GDP per capita growth (annual %) 2003 1/</b>	3.5
<b>Population density (people per km<sup>2</sup>) 2003 1/</b>	14	<b>Inflation, consumer prices (annual %) 2003 1/</b>	22 a/
<b>Local currency</b>	Kwacha (ZMK)	<b>Exchange rate: USD 1 =</b>	ZMK 4 600
<b>Social Indicators</b>		<b>Economic Indicators</b>	
Population (average annual population growth rate) 1997-2003 1/	1.9	GDP (USD million) 2003 1/	4 335
Crude birth rate (per thousand people) 2003 1/	38	Average annual rate of growth of GDP 1983-1993	1.3
Crude death rate (per thousand people) 2003 1/	23	1993-2003	2.0
Infant mortality rate (per thousand live births) 2003 1/	102	Sectoral distribution of GDP 2003 1/	
Life expectancy at birth (years) 2003 1/	37	% agriculture	23
Number of rural poor (million) (approximate) 1/	n/a	% industry	27
Poor as % of total rural population 2/	n/a	% manufacturing	12
Total labour force (million) 2003 1/	4.40	% services	50
Female labour force as % of total 2003 1/	43	Consumption 2003 1/	
<b>Education</b>		General government final consumption expenditure (as % of GDP)	15
School enrolment, primary (% gross) 2003 1/	82 a/	Household final consumption expenditure, etc. (as % of GDP)	66
Adult illiteracy rate (% age 15 and above) 2003 1/	20 a/	Gross domestic savings (as % of GDP)	19
<b>Nutrition</b>		<b>Balance of Payments (USD million)</b>	
Daily calorie supply per capita	n/a	Merchandise exports 2003 1/	940
Malnutrition prevalence, height for age (% of children under 5) 2003 2/	47 a/	Merchandise imports 2003 1/	1 503
Malnutrition prevalence, weight for age (% of children under 5) 2003 2/	28 a/	Balance of merchandise trade	-563
<b>Health</b>		Current account balances (USD million)	
Health expenditure, total (as % of GDP) 2003 1/	6 a/	before official transfers 2003 1/	n/a
Physicians (per thousand people) 2003 1/	n/a	after official transfers 2003 1/	n/a
Population using improved water sources (%) 2002 2/	55	Foreign direct investment, net 2003 1/	100
Population with access to essential drugs (%)	n/a	<b>Government Finance</b>	
Population using adequate sanitation facilities (%) 2002 2/	45	Overall budget deficit (including grants) (as % of GDP) 2003 1/	n/a
<b>Agriculture and Food</b>		Total expenditure (% of GDP) 2003 1/	n/a
Food imports (% of merchandise imports) 2003 1/	14 a/	Total external debt (USD million) 2003 1/	6 425
Fertilizer consumption (hundreds of grams per ha of arable land) 2003 1/	124 a/	Present value of debt (as % of GNI) 2003 1/	121
Food production index (1999-01=100) 2003 1/	107	Total debt service (% of exports of goods and services) 2003 1/	28
Cereal yield (kg per ha) 2003 1/	1 564	Lending interest rate (%) 2003 1/	41
<b>Land Use</b>		Deposit interest rate (%) 2003 1/	22
Arable land as % of land area 2003 1/	7 a/		
Forest area as % of total land area 2003 1/	42 a/		
Irrigated land as % of cropland 2003 1/	1 a/		

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators*, CD ROM 2005

2/ UNDP, *Human Development Report*, 2005

**PREVIOUS IFAD FINANCING IN ZAMBIA**

<b>Project Name</b>	<b>Initiating Institution</b>	<b>Co-operating Institution</b>	<b>Grant/Lending Terms</b>	<b>Approval</b>	<b>Effectiveness</b>	<b>Current Closing Date</b>	<b>Acronym</b>	<b>Denominated Currency</b>	<b>Approved Amount</b>
Eastern Province Agricultural Development Project	IBRD	IBRD	I	22 Apr 81	11 Mar 82	30 Jun 88	L-I-66-ZA	SDR	9 000 000
North-Western Province Area Development Project	IFAD	IDA	HC	14 Sep 82	03 Mar 83	31 Jul 92	L-I-104-ZA	SDR	11 950 000
Smallholder Services Rehabilitation Project	IFAD	IDA	Grant	03 Dec 87	24 Sep 87	31 Dec 88	G-S-7-ZA	USD	71 000
			HC	09 Sep 87	15 Apr 88	31 Dec 95	L-I-206-ZA	SDR	9 100 000
			HC	09 Sep 87	27 Apr 88	31 May 96	L-S-7-ZA	SDR	7 100 000
North-Western Province Area Development Project – Phase II	IFAD	UNOPS	Grant	12 Dec 91	14 Jan 92	01 Apr 92	G-S-27-ZA	USD	100 000
			HC	11 Dec 91	26 Jun 92	31 Dec 00	L-I-293-ZA	SDR	9 250 000
			HC	09 Sep 87	26 Jun 92	31 Dec 00	L-S-28-ZA	SDR	2 750 000
Southern Province Household Food Security Programme	IFAD	UNOPS	HC	05 Dec 94	28 Mar 95	30 Jun 03	L-I-368-ZM	SDR	10 400 000
Smallholder Irrigation and Water Use Programme	IDA	UNOPS	HC	12 Apr 95	09 Apr 96	31 Dec 02	L-I-377-ZM	SDR	4 300 000
Forest Resource Management Project	IFAD	UNOPS	Grant	31 Dec 99	26 Jun 02	31 Dec 08	Cof-I-520	USD	123 366
			Grant	23 Dec 99	16 Feb 00	30 Jun 02	G-I-88-ZM	USD	85 000
			HC	09 Dec 99	26 Jun 02	31 Dec 08	L-I-520-ZM	SDR	9 150 000
Smallholder Enterprise and Marketing Programme	IFAD	IFAD	Grant	22 Dec 99	16 Feb 00	30 Jun 08	G-I-89-ZM	USD	80 000
			HC	09 Dec 99	07 Nov 00	30 Jun 08	L-I-521-ZM	SDR	11 550 000
Rural Finance Programme	IFAD	UNOPS	HC	02 Dec 04	Pending	-	L-I-643-ZM	SDR	9 250 000

Note: HC = highly concessional; IBRD = International Bank for Reconstruction and Development; IDA = International Development Association; UNOPS = United Nations Office for Project Services.



## LOGICAL FRAMEWORK

Narrative Summary	Impact/Result Indicators	Means of Verification	Assumptions/Risks
<b>Goal</b>			
Increase in incomes and food security among poor smallholder farmers through the restoration of their access to draught animal power	<ul style="list-style-type: none"> <li>• Reduction in % of smallholder farmers living below the poverty <b>line</b></li> <li>• Increase in household asset ownership</li> <li>• Reduction in the prevalence of under-height for age children (below 5 years old)</li> </ul>	Central Statistical Office Benchmark, mid term and completion <b>review</b> Ministry of Health records	Macro-economic environment remains conducive to investment, private sector development, and trade
<b>Objective</b>			
Reduction in the incidence of ECF and CBPP to levels which will allow re-establishment and growth of smallholder cattle herds.	<ul style="list-style-type: none"> <li>• % increase in cattle herd in key project areas</li> <li>• Reduction of incidence of ECF outbreaks</li> <li>• # of smallholder owned juvenile animals vaccinated against ECF annually</li> <li>• Prevalence of CBPP in Western Province – (declaration of Zambia as free of CBPP).</li> </ul>	PCU records National Statistical Service DCSU records no cases of positive tests from sera sampling Increased demand and payment for ECF vaccines by smallholder livestock owners.	DSCU functions adequately and provides Early Warning of <b>any</b> disease outbreaks Recurrent budget covers other potential killer livestock diseases Extension network provides adequate training for farmers in improved animal husbandry
Re-stocking of smallholder farmers who have lost their cattle due to disease in a manner and to a level which will provide them with sustainable access to draught animal power	<ul style="list-style-type: none"> <li>• # of recipient livestock management groups</li> <li>• # of livestock management groups with increased access to DAP</li> <li>• # of 1<sup>st</sup> generation recipients</li> <li>• # of 2<sup>nd</sup> generation recipients</li> <li>• # of calves dropped</li> <li>• Increase in area cultivated using DAP</li> <li>• # of beneficiary women headed households</li> </ul>	Case studies Benchmark and completion assessment Participatory monitoring and evaluation reports.	Cattle owners pay their share of the full costs of ECF vaccination. MACO is committed to developing equitable cost recovery procedures for control of selected animal diseases that are not declared of National Importance.
<b>Outputs</b>			
<b>Animal disease control</b>			
Disease control development	<ul style="list-style-type: none"> <li>• Effective operational DCSU established</li> </ul>	CVRI/NALEIC and DCSU records	Political will to tackle animal diseases
East coast fever management and research	<ul style="list-style-type: none"> <li>• # of pre-vaccination and post-vaccination surveillance surveys conducted</li> <li>• # of cattle sampled and ~ of serum collected</li> <li>• # of cross immunity trials</li> <li>• New vaccine developed for Central and Copper belt region</li> <li>• # of animals vaccinated</li> </ul>	CVRI/NALEIC and DCSU records	MACO commitment and mobilisation of resources to ECF and CBPP campaigns.
CBPP eradication	<ul style="list-style-type: none"> <li>• Pre-vaccination screening</li> <li>• # of infected animals slaughtered</li> <li>• Surveillance and monitoring techniques</li> </ul>	CVRI/NALEIC and DCSU records	

Narrative Summary	Impact/Result Indicators	Means of Verification	Assumptions/Risks
	<ul style="list-style-type: none"> <li>developed</li> <li># of animals vaccinated in each round</li> </ul>		
<b>Draught animal power-oriented restocking</b> Support to livestock transfer management  Livestock transfers	<ul style="list-style-type: none"> <li># of service providers contracted</li> <li># of CLW's trained</li> <li>Training curricula for crops, livestock, education, health and nutrition technicians</li> <li># of smallholder groups established and trained</li> <li># of livestock distributed</li> <li># of livestock passed on through effective group management</li> </ul>	PCU Reports and Records Reports from service providers  PCU Reports and Records Reports	Competence of service providers Efficient PCU oversight and facilitation Farmers willing to improve animal husbandry and work collectively.
<b>Project management</b>	<ul style="list-style-type: none"> <li>Disbursements against appraisal targets</li> <li>M&amp;E/MIS set up and used for decision-making</li> <li>Physical progress against appraisal targets</li> <li>Timely progress and financial reports submitted</li> <li>Acceptable audits, procurement &amp; financial reports</li> </ul>	PCU Reports AWP&B Supervision missions IFAD follow-up missions	Efficient and capable PCU staff recruited Transparent criteria developed/applied. Procurement undertaken in a transparent and competent way
<b>Inputs (USD '000)</b>	<b>Financing (USD million)</b>		
Vehicles 1 752	IFAD 10.1		
Equipment and Materials 4 318	GRZ 2.6		
Training, Works., Studies 996	Beneficiaries 2.3		
Technical Assistance 292			
Service Contracts 474			
Fund for Cattle Purchase 2 730			
Salaries and Allowances 3 059			
Operation & Maintenance 1 372			
Total 14 993			

## ORGANIGRAMME

