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Investing in rural people

President's memorandum

Proposed additional financing to the Republic of Zambia for the Smallholder Productivity Promotion Programme

Note to Executive Board representatives

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Recommendation for approval

The Executive Board is requested to approve the recommendation for the proposed additional financing to the Republic of Zambia for the Smallholder Productivity Promotion Programme as contained in paragraph 39.

Proposed additional financing to the Republic of Zambia for the Smallholder Productivity Promotion Programme

I. Context and justification

A. Background

1. This memorandum seeks approval from the IFAD Executive Board for additional financing for the Smallholder Productivity Promotion Programme (S3P) in the form of a loan totalling US\$6.7 million on blend terms. The additional financing will respond to a request by Zambia's Government for the completion of some activities and the consolidation of results achieved thus far. The additional financing will be allocated through the 2016-2018 performance-based allocation system cycle.
2. The implementation of activities supported by the additional financing will benefit from a 12-month extension of the programme completion and loan closing dates to 31 December 2019 and 30 June 2020 respectively.
3. The Government will contribute to the programme by covering import duties and taxes on the additional programme costs. Beneficiaries will also contribute in cash and in kind to cofinance agricultural inputs and local agricultural investments.
4. The original financing comprised: (i) an IFAD loan of special drawing rights (SDR) 15.45 million (equivalent to US\$24.8 million) on highly concessional terms; (ii) a grant from the Government of Finland totalling EUR 5 million (equivalent to US\$7.1 million); (iii) a contribution from the Government of Zambia totalling US\$6.1 million; (iv) a beneficiary contribution of US\$1.5 million; and (v) a contribution by participating districts totalling US\$400,000.
5. The original loan was approved at the 103rd Session of IFAD's Executive Board on 15 September 2011 for a seven-year period, commencing on 9 December 2011. In light of the 12-month extension, the programme will be completed on 31 December 2019 and the loan will close on 30 June 2020.

B. Justification for the additional financing and extension of completion and closing dates

6. Rationale for the proposed additional financing: The additional financing is necessitated by a reduction in external financing by over 30 per cent due to: the Government of Finland's withdrawal after a disbursement of US\$950,000 from its grant of US\$7.1 million; and depreciation of SDR against the United States dollar, causing a reduction of approximately US\$300,000 in IFAD financing. This reduction prevented the completion of some programme activities, including: the development of farmer organizations and their federations; a pluralistic participatory extension system; and support to agricultural and rural investment programme. It also hampered the consolidation of results achieved so far. To mitigate the impacts of a future depreciation of SDR against the United States dollar, the additional financing is denominated in United States dollars.

7. Rationale for extension of completion and closing dates: An introduction of new policies by the Government caused a delay in programme start-up. These policies relate to the introduction of an integrated financial management information system, which delayed the installation and use of independent accounting software, creating difficulties in financial management and causing delays in reimbursement of expenditures. In addition, the treasury single account did not permit the timely opening of a designated account and its related operating account, holding-up initial disbursement. Finally the requirement for the Ministry of Justice to clear all contracts considerably delayed procurement. These issues have now been resolved. An extension of the completion and closing dates will ensure the attainment of the programme objective, goal and impact.

C. Status of programme implementation

8. The development objective of S3P is to sustainably increase production, productivity and sales of smallholder farmers in the target area. This objective is expected to be achieved through improved access to technical and commercial services, improved technologies and enhancement of rural and infrastructural support. Farmer organizations and their federations are the main channel for delivering services and inputs. The programme is being implemented within target areas of Northern, Luapula and Muchinga Provinces.
9. The programme is responsive to the National Agricultural Policy and the Sixth National Development Plan's goal for agricultural sector. It is tackling the major challenges of agricultural development, including increasing production and productivity, while ensuring environmental sustainability and climate resilience. S3P implementation is consistent with the objectives of IFAD's Strategic Framework (2016-2025) by increasing rural poor people's productivity capacity, increasing their benefits from market participation and strengthening the environmental sustainability and climate resilience of their economic activities. S3P has mainstreamed gender, nutrition and climate change.
10. Despite the delay in implementation, the programme has achieved good results. It has reached 56,468 households, of which 16,940 (30 per cent) are headed by women. The households reached represent 94 per cent of 60,000 targeted households. Encouraged by the momentum of implementation, this target has been revised to 67,500 households. The programme is being implemented in Northern, Luapula and Muchinga Provinces within 24 districts and 150 camps (100 per cent of the target area).
11. The programme has strengthened 1,258 farmer organizations – 167 per cent of the 750 targeted. Of these groups, 1,078 have been federated into new or joined existing cooperative unions. Of these cooperative unions, 25 have been strengthened – 150 per cent more than the target of 10 cooperative unions. Out of the 29,962 cooperative union members (149.8 per cent of targeted 20,000), 14,292 are women (47.7 per cent). The federated groups are in the third of five stages of development. The remaining 180 groups have completed the first two stages of development.
12. Pluralistic participatory extension services are being provided by the Government (to 18,000 households) and private-sector partners Total Land Care (19,041 households) and Community Markets for Conservation (19,427 households), for total outreach of 56,468 (83 per cent of the revised target of 67,500). These extension services promote climate-smart, good agricultural practices in conservation agriculture such as minimum tillage, crop rotation, residue retention, agro-forestry and use of organic fertilizer. They also include intensive agriculture practices such as intercropping, increased plant population, integrated crops and livestock, and fertilization. Extension messages are being disseminated by trained staff, lead farmers selected by farmer groups, field demonstrations, field days, radio and more than 1,200 farmer field schools

and farm business schools. Over 160 extension staff and 1,038 lead farmers have been trained and provided with logistics support.

13. The programme has increased access to good seeds – a key element for raising productivity and yields. Due to a late programme start-up, the seed production and distribution programme commenced 2015. From 2015 to 2017, 123 tons of certified groundnut, bean, rice, and soya seeds were provided to approximately 7,200 farmers. In addition, 3,500 bundles of planting materials for cassava and 2,300 bundles of sweet potato vines were distributed. Agro-forestry is being promoted through training of farmers in management of *gliricidia sepium* and provision of seeds and seedlings. Commercialization is being enhanced through links to traders and processors, and development of bulking centres; 15 stocking sheds are in operation and another 90 are being completed. Approximately 2,000 farmers have been trained in group marketing. In 2016 and 2017, farmers sold 1,214 tons of common beans, soya, groundnuts and paddy rice, realizing the equivalent of US\$4,193,430. This was many beneficiaries' first experience with organized sales. They also received farm-gate prices that were more than 50 per cent higher than those received from itinerant traders. In addition, a programme partner pays 10 per cent above the market price as an incentive for farmers to adopt climate-smart technology promoted by the programme.
14. The agricultural research for development subcomponent has focused attention on developing technology that increases smallholders' productivity and yields. Improved varieties of common beans and rice have been identified and introduced to farmers with good results, and a seed-development system including bulking and production of breeder and foundation seeds has been advanced.
15. Through component 2, enabling environment for productivity growth, 28 km of rural access roads are being rehabilitated through district-level investments; 70 per cent are completed. Community-level agricultural investment has led to the construction of two small-scale storage centres of the 21 planned. The remaining 19 centres can be constructed if funding is secured. In collaboration with a programme partner, farmer organizations have established 15 commodity bulking centres and another 90 are in construction. The programme has also supported a policy and planning framework.
16. In collaboration with other IFAD programmes in Zambia, a new monitoring and evaluation framework has been developed and staff at all levels trained in its implementation. With regard to learning and knowledge management, the National Agricultural Information Service has been strengthened and is providing service throughout Zambia's Ministry of Agriculture. It also ensures documentation of development efforts in an easily accessible format. A programme management unit (PMU) has been established along with technical support services linked to a regional research station in the programme area and provincial- and district-level extension services.

II. Summary of activities to be supported

17. The additional financing will be used to complete and consolidate programme activities that have shown positive results and the potential for future replication and scaling up. They will also be utilized for infrastructure development and agricultural investments that are important for improving productivity, increasing yields and commercializing farming activities. These activities are the same as those contained in the original programme design document and will not require any modifications; they are consistent with the programme goal and development objectives. The programme components and subcomponents are described below as contained in the programme design report.

18. Component 1: Sustainable smallholder productivity growth.
Subcomponent 1.1: Strengthening farmer organizations and their federation. This support aims to consolidate and complete the development and strengthening of farmer organizations and their federation so that they can be self-sustaining in providing technical and commercial services to their members. The 25 established cooperative unions will receive assistance to complete the third stage of development (leadership and entrepreneurship training, and enterprise planning and development), and advance through the fourth development stage (action planning and resource mobilization, writing of project proposals, and marketing/branding) to bring them to maturity. They will then be mentored and updated through workshops to fill any capacity gaps. The 180 farmer organizations that have completed the first two stages of development will advance through the remaining stages of development. They will be mentored and assisted in forming new cooperative unions or joining existing unions. Another 250 producer groups with interest in commercialization will be supported through the five stages of development. The Department of Cooperatives within the Ministry of Commerce, Trade and Industry, and the Zambia Cooperative Federation will be strengthened to provide support in governance and financial management (including cooperative-based accounting and audit practices). The 90 storage sheds under construction will be completed and 15 new sheds constructed to facilitate input-supply services and commodity trade by farmer organizations and their federations. By programme completion, farmer organizations and their supported federations will have a membership of 36,000, of which 50 per cent will be women.
19. Subcomponent 1.2: Pluralistic participatory extension services. This support aims to consolidate achievements already made and extend outreach to the remaining 10,500 households. The subcomponent promotes public-private-producer partnerships, climate-smart technology and agricultural commercialization. The additional financing will be used to provide additional training to 160 extension staff in new extension approaches and intensify training of lead farmers on extension approaches and management of demonstration plots. A total of 1,667 lead farmers will be involved, comprising 1,038 existing and 629 new participants. Support will also be given to 1,597 farmer field schools and farmer business schools as centres for farmer training, including 1,227 existing and 370 new schools. Approximately 2,000 demonstrations will be supported through these schools. Rehabilitation of six camp houses will be financed to complete the accommodations for camp extension officers. An additional 400 seed out-growers will be trained in certified seed production. Approximately 3,000 tons of certified seeds, 1.76 million cassava cuttings and 250 bundles of orange-fleshed sweet potatoes will be provided. Finally, the development of 25 seed banks will be supported.
20. Subcomponent 1.3: Agricultural research for development. The additional financing will be used for: (i) bean adaptation trials of five varieties; (ii) trials of five advance lines of cassava; (iii) testing and adaptation of conservation agriculture in the programme area, including 13 on-station trials and six on-farm trials; (iv) training of 10 seed field inspectors; (v) testing and certification of 270 tons of beans, groundnuts, and rice; (vi) completion of a seed certification unit; (vii) production of 1.5 tons of breeder seeds for beans and rice, and 38.5 tons of bean and rice foundation seeds; and (viii) strengthening of a seed inspection and certification system in the programme area.
21. Component 2: Enabling environment for productivity growth.
Subcomponent 2.1: Local agricultural investments. Activities included the completion of 28 km of feeder roads; rehabilitation and equipping of two district farmer training centres; construction of 13 community-based storage facilities for commodity bulking; and rehabilitation of a 89 hectare irrigation scheme. Group-based investments to be supported include financing five rice threshers, five groundnut shelters, five rippers, five animal traction units, 25 treadle pumps

and 10 solar pumps for small-scale irrigation of fruit and vegetable production using water from perennial rivers. In addition, small scale-processing equipment will be supported upon request by groups that meet the support guidelines, including a 50 per cent cost contribution.

22. Subcomponent 2.2: Support to the policy and planning framework: This subcomponent aims to strengthen the Policy and Planning Department in programme monitoring and evaluation, policy review and improvement, decentralized planning and budgeting. It will finance: (i) the development of a policy framework for decentralized planning and budgeting; (ii) continuation of quarterly monitoring of S3P field operations; (iii) finalization of a seed production and distribution strategy, and policy review; and (iv) a review of the agricultural extension approach used by S3P, leading to a recommendation for a national agricultural extension strategy.
23. Subcomponent 2.3: Programme management, monitoring and evaluation: The programme management unit – including technical units supporting agricultural research, extension, planning and coordination of activities at the provincial and district levels – will continue its assigned responsibilities, which are crucial for programme implementation.

III. Description and quantification of expected benefits

24. The additional financing and 12-month extension of the implementation period will permit the programme to reach an additional of 10,500 smallholders with technical and commercial services that will raise their agricultural productivity and yields. At least 33 cooperative unions will be developed in order to become self-sustaining by programme completion. The total membership of farmer organizations and their federations is expected to reach 36,000, of which 50 per cent will be women.
25. With the additional financing and extension of the implementation period by 12 months, the programme's overall economic internal rate of return has been estimated as 18.3 per cent, compared to 14 per cent at the design stage. The net present value, using a discount rate of 12 per cent, has been estimated at US\$13.8 million, compared to a net present value of US\$5 million using a discount rate of 10 per cent at the design stage. A total production output of 116,235 tons will be achieved by 2018.

IV. Financial management, procurement and governance

26. Country context and risk rating: A financial management assessment was undertaken as part of planning for additional financing in accordance with IFAD requirements. The assessment covered a review of the PMU, the Ministry of Agriculture, the Office of the Auditor General, current S3P operations (including those at the provincial and district levels), and a study of previous supervision mission reports. The risk of S3P at the design stage was rated as high and reduced to medium once mitigating measures and controls are implemented. Measures to improve financial management are included in the design report for implementation during the period covered by additional financing. They include filling the vacant post of procurement and contract management specialist, fully operationalizing the recently installed accounting software, enhancing financial management capacity and supervising provincial operations to expedite financial reporting and improve of internal audit processes.
27. Zambia's inherent risk is medium as measured by Transparency International's Corruption Perceptions Index. The country's 2016 score was 38 (0 = high risk and 100 = low risk), which it has maintained since 2013. The 2016 ranking placed the country 87th out of 176 countries. The draft 2012 Public Expenditure and Financial Accountability assessment shows that progress has continued in key areas, including payroll management and budgeting; the number of indicators scoring "D" decreased from 12 in 2005 to four in 2012.

28. **Financial management:** The financial management arrangements for the proposed additional financing will be aligned with those for the ongoing S3P, which have been improved. The responsibility for management of the additional financing will rest with the PMU. A full set of accounts will be prepared in line with IFAD's requirements and International Public Sector Accounting Standards cash basis accounting standards. The interim financial reports and annual programme financial statements prepared by the PMU will separately identify the additional financing.
29. **Accounts:** The additional financing will be transferred by IFAD to a designated account in United States dollars at the central Bank of Zambia managed by the PMU in accordance with IFAD's disbursement procedures.
30. **Audit arrangements:** The programme will be audited annually by the Office of Auditor General as specified in the IFAD grant given to the INTOSAI Development Initiative to strengthen the capacities of Supreme Audit Institutions. The audits will be in accordance to the terms of reference approved by IFAD and in line with IFAD Guidelines on Project Audits. An audited, consolidated financial statement for the entire programme, together with the required management letter, will be submitted to IFAD within six months of the end of each fiscal year.
31. **Internal auditors** within the Ministry of Agriculture have been providing internal audit services to S3P; this will continue. Internal audit of the programme will be included in the audit plan of the Ministry of Agriculture's internal audit department, ensuring programme audits twice every year.
32. **Procurement:** Procurement arrangements will remain unchanged. Procurement of goods, works and services will be financed from the proceeds of the additional financing in accordance with Government procurement procedures, which are consistent with IFAD's procurement guidelines and the administrative and financial procedures manual.

V. Programme cost and financing

33. The costs of activities to be supported under additional financing have been estimated at US\$8.38 million. The costs will be covered by additional financing from IFAD totalling US\$6.7 million in the form of a loan on blended terms. The Government will contribute US\$780,000 while beneficiaries finance the balance of US\$910,000 in cash and in kind.
34. The proposed financing by expenditure category is reflected in table 1 below. The additional programme costs by component and financier are shown in table 2.

Table 1
S3P IFAD additional financing by expenditure category
 (United States dollars)

<i>Expenditure category</i>	<i>Government</i>		<i>IFAD</i>		<i>Beneficiaries</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
I. Investment Costs								
A. Consultancies	79 375	4.8	1 331 809	80.7	239 703	14.5	1 650 888	19.7
B. Equipment & materials	34 126	16.0	179 161	84.0	-	-	213 287	2.5
C. Works	66 495	10.0	598 456	90.0	-	-	664 951	7.9
D. Vehicles	33 304	41.3	47 336	58.7	-	-	80 640	1.0
E. Workshops	-	-	355 146	100.0	-	-	355 146	4.2
F. Training	45 943	4.6	959 543	95.1	3 225	0.3	1 008 711	12.0
G. Goods, services & inputs	333 840	15.3	1 554 030	71.0	299 749	13.7	2 187 618	26.1
H. Grants & subsidies	-	-	454 182	68.2	212 202	31.8	666 384	7.9
I. Operating costs	77 577	9.5	584 425	71.2	158 334	19.3	820 336	9.8
J. Salaries & allowances	110 696	15.0	627 276	85.0	-	-	737 971	8.8
Total	781 357	9.3	6 691 362	79.8	913 213	10.9	8 385 932	100.0

Table 2
S3P Additional financing by component and financier
 (United States dollars)

<i>Component</i>	<i>IFAD loan</i>		<i>Beneficiaries</i>		<i>Borrower/ counterpart</i>		<i>Total</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
A. Sustainable smallholder productivity growth								
1. Strengthening farmers organizations and their federations	521 062	91.9	-	-	46 189	8.1	567 252	6.8
2. Pluralistic participatory extension services	2 669 553	69.7	701 011	18.3	460 975	12.0	3 831 539	45.7
3. Agricultural research for development	493 237	96.4	-	-	18 176	3.6	511 412	6.1
Subtotal	3 683 852	75.0	701 011	14.3	525 340	10.7	4 910 203	58.6
B. Enabling environment for productivity growth								
1. Local agricultural investments	1 163 520	81.1	212 202	14.8	59 472	4.1	1 435 194	17.1
2. Support to the policy and legal framework	537 042	92.2	-	-	45 562	7.8	582 604	6.9
3. Programme management, monitoring and evaluation	1 306 949	89.6	-	-	150 983	10.4	1 457 931	17.4
Subtotal	3 007 510	86.5	212 202	6.1	256 017	7.4	3 475 729	41.4
Total	6 691 362	79.8	913 213	10.9	781 357	9.3	8 385 932	100.0

VI. Proposed amendments to the financing agreement

35. Upon approval by the Executive Board, the S3P financing agreement will be amended to take into account the additional financing. The additional financing by the Government of US\$780,000 in the form of taxes and duties, and an additional contribution in cash and in kind of US\$910,000 by beneficiaries will be reflected. The financing by the Government of Finland will be reduced to US\$950,000, which is the actual disbursement at the time of withdrawal. The Ministry of Agriculture¹ will be the lead implementing agency. The change in completion date from 31 December 2018 to 31 December 2019, and closing date from 30 June 2019 to 30 June 2020 will also be reflected.

¹ The Ministry of Agriculture is a product of an institutional reorganization, which occurred during the programme implementation. At the programme design stage, the programme-hosting institution was the Ministry of Agriculture and Cooperatives. Upon inception, the Cooperative Department was excised and the hosting institution became the Ministry of Agriculture and Livestock. After the programme midpoint (2014), the Department of Livestock was separated and the hosting institution became the Ministry of Agriculture.

VII. Legal instruments and authority

36. An amendment to the current financing agreement between the Republic of Zambia and IFAD will constitute the legal instrument for extending the proposed additional financing to the borrower.
37. The Republic of Zambia is empowered under its laws to receive financing from IFAD.
38. I am satisfied that the proposed IFAD additional financing will comply with the agreement establishing IFAD and with policies and criteria for IFAD financing.

VIII. Recommendation

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

RESOLVED: that IFAD shall provide an additional loan on blend terms to the Republic of Zambia in an amount equivalent to six million seven hundred thousand United States dollars (US\$6,700,000) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Gilbert F. Hounbo
President

Revised logical framework

	Objectively Smart Indicators (PDR)	Objectively Smart Indicators (Rev after MTR)	Objectively Smart Indicators (Rev. at AF)	Progress Report 31/08/2017	Means of Verification	Risks and Preconditions
1. Goal						
Income levels and food and nutrition security sustainably improved for poor agricultural households in the project area	By programme completion up to 48,000 smallholder households (80% of direct beneficiaries) achieve min. one of the following: · Increase in asset ownership. · Increase in savings. · Reduction in prevalence of child malnutrition. · Reduction in food insecurity.	By programme completion up to 48,000 smallholder households (80% of direct beneficiaries) achieve min. one of the following: · Increase in asset ownership. · Increase in savings. · Reduction in prevalence of child malnutrition. · Reduction in food insecurity.	By programme completion up to 54,000 smallholder households (80% of direct beneficiaries) achieve min. one of the following: · Increase in asset ownership. · Increase in savings. · Reduction in prevalence of child malnutrition. · Reduction in food insecurity.	This will be measured during the impact assessment	<ul style="list-style-type: none"> RIMS Baseline, and completion Surveys Zambia Central Statistical 	Weather, market and institutional conditions are favourable
2. Development Objective						
Production, productivity and sales of smallholder farmers in target areas sustainably increased	· 30,000HHsi increased crop yields (min. 30%) of cassava, rice, mixed beans and/or groundnuts.	· 30,000HHsi increased crop yields (min. 30%) of cassava, rice, mixed beans and/or groundnuts.	· 30,000HHsi increased crop yields (min. 30%) of cassava, rice, mixed beans and/or groundnuts.	This will be measured during the impact assessment	<ul style="list-style-type: none"> MACO/CSO surveys Baseline and end- of programme surveys. 	Stable prices; effective targeting includes poorer household
	40,000 HHs increased quantities (min. 20%) of cassava, rice, mixed beans / groundnuts marketed.	40,000 HHs increased quantities (min. 20%) of cassava, rice, mixed beans / groundnuts marketed.	40,000 HHs increased quantities (min. 20%) of cassava, rice, mixed beans / groundnuts marketed.	This will be measured during the impact assessment	<ul style="list-style-type: none"> MACO/CSO surveys Baseline and end- of programme surveys. 	Stable prices; effective targeting includes poorer household
	10,000 HHs reduced vulnerability to climatic variation affecting crop production.	10,000 HHs reduced vulnerability to climatic variation affecting crop production.	10,000 HHs reduced vulnerability to climatic variation affecting crop production.	This will be measured during the impact assessment	<ul style="list-style-type: none"> MACO/CSO surveys Baseline and end- of programme surveys. 	Stable prices; effective targeting includes poorer household
3. Results						
Component 1 – Sustainable Smallholder Productivity Growth						
Effect 1: Smallholder farmer groups and organizations informed, organized and empowered to respond to market and agricultural development opportunities	<ul style="list-style-type: none"> - 750 farmer organizations developed/ strengthened and operational. - 12 Federations/Cooperative Unions (CUs) developed and strengthened and operational. 	<ul style="list-style-type: none"> - 550 farmer organizations developed/ strengthened and operational. - 12 Federations / Cooperative Unions (CUs) developed and strengthened and operational. 	<ul style="list-style-type: none"> - 330 farmer organizations¹ developed/ strengthened and operational. - 36 Federations/Cooperative¹ Unions (CUs) developed and strengthened and operational. 	<ul style="list-style-type: none"> 180 FOs reached level 2 development stage. 25 CUs reached level 3 development stage 	<ul style="list-style-type: none"> MoA M&E data; S3P reports, surveys ; beneficiaries impact assessments; Department of Cooperative Reports ; and ZCF Reports. 	Service providers and programme partners have capacity for effecting FO development and linkage to VCS policy conducive to development and commercialization of FOs /CUs.

¹The Farmer Organizations Federated faster than expected at appraisal hence lower number of farmer organization and larger number of Federated/Cooperative Unions.

	Objectively Smart Indicators (PDR)	Objectively Smart Indicators (Rev after MTR)	Objectively Smart Indicators (Rev. at AF)	Progress Report 31/08/2017	Means of Verification	Risks and Preconditions
Output 1: FOs/CUs become sustainable and capable to offer technical and commercial services with their members.	20,000 of smallholder farmers (by gender and poverty quintile) actively involved in farmer groups, associations and cooperatives.	15,000 of smallholder farmers (by gender and poverty quintile) actively involved in farmer organizations, and cooperatives unions.	34,262 of smallholder farmers (by gender and poverty quintile) actively involved in farmer organizations, and cooperatives unions.	29,262 members (males – 15,670; females – 14,292)	MoA M&E data; S3P reports, surveys ; beneficiaries impact assessments; Department of Cooperative Reports ; and ZCF Reports.	Agricultural technologies offer smallholders opportunities to increase production and productivity in a sustainable manner.
	30% of leadership positions in farmer organizations and CUs held by women.	30% of leadership positions in farmer organizations and CUs held by women.	30% of leadership positions in farmer organizations and CUs held by women.	30%	MoA M&E data; S3P reports, surveys ; beneficiaries impact assessments; Department of Cooperative Reports ; and ZCF Reports.	Agricultural technologies offer smallholders opportunities to increase production and productivity in a sustainable manner ; ease of access to market
Effect 2: Smallholders have access to efficient technical and commercial advisory services,	-Pluralistic participating extension services reached 60,000HHs. -	-Pluralistic participating extension services reached 68,160HHs.	-Pluralistic participating extension services reached 67,500HHs.	56,468HHs (83% of revised target of 67,500HHs)	MoA M&E data; S3P reports, and beneficiaries impact assessments	MOA extension services mobilized, trained and provided logistics support; private partnership timely recruited and operational.
Output 2: Pluralistic participatory extension services established and functional (PPE).	80% (48,000) of HHS participating in PPE adopt improved production practices including use of certified/improved seeds and planting materials	80% (54,528) of HHS participating in PPE adopt improved production practices including use of certified/improved seeds and planting materials	80% (54,000) of HHS participating in PPE adopt improved production practices including use of certified/improved seeds and planting materials	65%	MoA M&E data; S3P reports, and beneficiaries impact assessments; ZARI/SCCI Reports.	Research – extension linkage operational; FOs/CUs linked to commercial operators; certified/ improved seeds and planting materials of improved crop varieties available
	45,000HHs adopted improved crop varieties adapted to programme area, and improved their yields of targeted crops by minimum of 30%.	30,000HHs adopted improved crop varieties adapted to programme area, and improved their yields of targeted crops by minimum of 30%.	30,000HHs adopted improved crop varieties adapted to programme area, and improved their yields of targeted crops by minimum of 30%.	9,649HHs (32% of revised target)		
Output 3: Agricultural research and seed multiplication services responds to priority needs of smallholders, with availability of: <ul style="list-style-type: none"> Improved crop varieties. Improved land and crop 	Improved varieties of crops adapted to the programme area identified and seeds/planting material made available to 5,000 HHs.	Improved varieties of crops adapted to the programme area identified and seeds/planting material made available to 30,000 HHs.	Improved varieties of crops adapted to the programme area identified and seeds/planting material made available to 34,500 HHs.	9,649 (28% of revised target)	MoA M&E data; S3P reports, baseline and end – of programme surveys and beneficiaries impact assessments; ZARI/SCCI Reports.	Research – extension linkage operational; FOs/CUs linked to commercial operators; certified/ improved seeds and planting materials of improved crop varieties available.

Management practices. Labor saving tools/equipment	SCCI strengthened ; seed certification centre established in the programme area,	SCCI strengthened ; seed certification centre established in the programme area,	SCCI strengthened ; seed certification centre established in the programme area,	SCCI already been strengthened, over 1,000 seed growers trained,	MoA M&E data; S3P reports, baseline and beneficiaries impact assessments	ZARI, extension services/CYMMT established and functional; policy and regulatory services conducive to seed system development.
Component 2 – Enabling Environment for Productivity Growth						
Effect 3: Policy and infrastructural constrained hampering smallholder production and productivity addressed.	- Policy and regulatory framework for smallholder agricultural development and commercialization enhanced. - Local agricultural investment comprising 40 districts level, 350 community level, 500 group level agricultural investments developed and operational. unit	- Policy and regulatory framework for smallholder agricultural development and commercialization enhanced. - Local agricultural investment comprising 6 districts level, 45 community level, 320 group level agricultural investments developed and operational.	- Policy and regulatory framework for smallholder agricultural development and commercialization enhanced. - Local agricultural investment comprising 6 districts level, 45 community level, 320 group level agricultural investments developed and operational.	- PPD strengthened in monitoring and evaluation, and policy and improvement. - 28km road under rehabilitation, 15 storage sheds developed and operational.	S3P Annual reports, Provincial and District reports	Districts, communities and groups interested, willing and able to contribute to and co-finance agricultural and rural investments. Policy and institutional framework enhanced. Institutional decentralization and capacity building at province and district level improved.
Output 4: Improved agricultural rural infrastructure and improved access to productivity enhancing works and equipment	40 units of district-level agricultural investments developed and operational.	6 units of district-level agricultural investments developed and operational.	6 units of district-level agricultural investments developed and operational.	- 28km road rehabilitation on-going. 2 districts farmer training centre planned and ready for execution.	S3P Annual reports, Provincial and District reports	Districts, communities and groups interested, willing and able to contribute to and co-finance agricultural and rural investments.
	350 units of community level agricultural investments developed and operational.	45 units of operational community level agricultural investments developed and operational.	45 units of community level agricultural investments developed and operational.	2 small-scale storage centres completed. 89.06hactare small-scale irrigation planned.	“	“
	500 units of group-level agricultural investments developed and operational	- 320 units of group-level agricultural investments developed and operational	320 units of group-level agricultural investments developed and operational	15 storage sheds completed and operational.	“	“
Output 5: Policy and institutional capacity for smallholder agricultural development and commercialization, and project management developed to strengthened.	- Institutional capacity of MOA at central, province and district levels strengthened for planning, M&E, agricultural development and commercialization.	- Institutional capacity of MOA at central, province and district levels strengthened for planning, M&E, agricultural development and commercialization.	- Institutional capacity of MOA at central, province and district levels strengthened for planning, M&E, agricultural development and commercialization.	-Institutional capacity of MOA at all levels has been strengthened for planning, M&E, agricultural development and commercialization.	S3P Annual reports, MOA Annual reports, and PCR.	Commitment of MOA to support S3P development efforts.