



Investing in rural people

Executive Board

President's memorandum
Proposed additional financing to
Republic of Angola
Smallholder Agriculture Development and
Commercialization Project in Cuanza Sul and Huila
Provinces (SADCP-C&H-SAMAP)

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Action: The Executive Board is invited to approve the recommendation for the proposed additional financing contained in paragraph 47.

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Project delivery team

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Financing summary

Initiating institution:	IFAD
Borrower:	Republic of Angola
Executing agency:	Institute for Agricultural Development, Ministry of Agriculture and Forestry
Total project cost:	US\$67.6 million
Amount of original IFAD loan (performance-based allocation system [PBAS]):	US\$28.8 million
Terms of original IFAD financing:	Ordinary: Maturity period of 18 years, including a five-year grace period
Amount of additional IFAD loan (PBAS):	US\$27.2 million
Terms of additional IFAD financing:	Ordinary: 18 years, including a grace period of five years, subject to interest at a rate equal to the IFAD reference interest rate including a variable spread
Original contribution of borrower:	US\$8.2 million
Additional contribution of borrower:	US\$2.2 million
Contribution of beneficiaries:	US\$1.1 million
Amount of additional IFAD climate finance:	US\$9.9 million
Cooperating institution:	IFAD

I. Background and project description

A. Background

1. The IFAD Executive Board approved the Smallholder Agriculture Development and Commercialization Project in Cuanza Sul and Huila Provinces (SADCP-C&H-SAMAP) in April 2017 with a budget of US\$38.1 million (US\$28.8 million from IFAD, US\$8.2 million from the Government, and US\$1.1 million from beneficiaries). SADCP-C&H-SAMAP became effective on 9 August 2017 and reached completion on 30 September 2024. By 30 June 2024, US\$26.59 million (92.2 per cent) of the IFAD loan had been disbursed. The Rural Poor Stimulus Facility grant of US\$1.36 million was fully disbursed and closed in December 2022. The Government requested a six-month extension to 31 March 2025 for completion and 30 September 2025 for financial closure to prepare for the additional financing (AF) and expand coverage to current Smallholder Resilience Enhancement Project (SREP) regions. The project completion and closure dates for SADCP-C&H-SAMAP will be extended by four years to 31 March 2029 and 30 September 2029, respectively.
2. SADCP-C&H-SAMAP covers Cuanza Sul and Huila Provinces. Responsibility at the national level rests with the Director-General, Institute for Agricultural Development, Ministry of Agriculture and Forestry. The AF is sourced from cancelled funds from SREP.

B. Original project description

3. The project aims to increase smallholder agricultural productivity, production, resilience and marketing for selected crops. It has two components: (i) **capacity-building and institutional development** to enhance farmers' skills and create a supportive policy environment; and (ii) **support for increased production and commercialization** to improve farmers' capital and market access through investment subprojects. The proposed project development objective indicators are: (i) average yields of selected crops (cassava, maize, beans, Irish potatoes and key horticultural crops); (ii) the proportion of production marketed by smallholder farmers; and (iii) the number of direct beneficiaries, including women, youth and those receiving nutrition sensitization support.

II. Rationale for additional financing

A. Rationale

4. The rationale for the AF is that SADCP-C&H-SAMAP, a key IFAD agriculture project in the Republic of Angola, has successfully improved smallholder production and strengthened cooperatives for market-oriented activities. The early closure of SREP activities in neighbouring provinces has increased demand for SADCP-C&H-SAMAP's support, particularly for farmer field schools and cooperative market engagement. The AF will help deliver SADCP-C&H-SAMAP's exit strategy and prepare for future agricultural investments, supporting the development of market- and commercial-oriented agricultural micro, small and medium-sized enterprises (agri-MSMEs). SADCP-C&H-SAMAP activities will be scaled up to new areas and beneficiaries, ensuring long-term sustainability of ongoing SADCP-C&H-SAMAP and SREP activities, especially for graduating farmer field schools, production infrastructure investments and cooperatives with business plans. The AF will also expand SADCP-C&H-SAMAP's outreach, particularly in southern SREP provinces that are transitioning from emergency recovery to resilient food security. Finally, the AF will create a pipeline of bankable agribusiness investments, laying the foundation for a second phase of SADCP-C&H-SAMAP to develop targeted agri-finance mechanisms and encourage private investment in agriculture.

Special aspects relating to IFAD's corporate mainstreaming priorities

5. In line with IFAD's mainstreaming commitments, the project has been validated as:
 - Including climate finance
 - Including adaptive capacity
6. **Gender and youth.** Women's participation in farmer field schools (FFSs) exceeds 50 per cent, with 32,442 households engaged in leadership roles. Machinery has reduced women's workload, and increased knowledge on nutrition, agriculture and climate-resilient seeds has improved their resilience. Women also have access to small production loans. The project ensures women's participation through central meeting venues, convenient times, literacy classes and childcare facilities. Monitoring reveals that women are represented in 563 producers' organizations (POs) supported by the project and that 26,325 women have been trained. Planned women's empowerment initiatives like the Gender Action Learning System have not been implemented due to the lack of a gender expert. The AF plans to provide leadership and entrepreneurship training for women in cooperatives. Youth participation is notable in cooperatives and FFSs, especially in Huila Province.
7. **Nutrition.** SADCPC&H-SAMAP's interventions improved the knowledge, attitudes and practices of 10,960 households in 2023 and supported 49,136 households, reducing the incidence of school dropout and sickness among children. The training of 76 extension workers led to field visits and cooking demonstrations. Assessments revealed low protein intake and hygiene awareness. Training sessions focused on food group classification, malnutrition prevention and local food conservation. SADCPC&H-SAMAP plans to continue these efforts and advance nutrition education.
8. **Climate change.** Angola ranks 160th on the Notre Dame Global Adaptation Initiative (ND-GAIN) Country Index, indicating high vulnerability to climate change. Projections show significant temperature increases and decreased rainfall, especially in the south, leading to reduced productivity. The SADCPC&H-SAMAP additional financing will integrate climate-smart agriculture practices, develop efficient water management systems, and support small-scale irrigation and water-harvesting infrastructure. Extensive training on climate change adaptation and environmental management will be provided, supporting biodiversity conservation and enhancing local capacity.

B. Description of geographical area and target groups

9. SADCPC&H-SAMAP has successfully reached 65,080 households, surpassing its target, with beneficiaries from cooperatives and FFSs in Cuanza Sul and Huila Provinces. The project uses a self-targeting mechanism and participatory monitoring, collecting sex- and age-disaggregated data. The AF will expand coverage to the SREP areas in the north (Zaire, Uige, Cuanza Norte and Bengo) and south (Benguela, Cunene and Namibe), which have distinct agro-ecosystems and socioeconomic conditions. The north has favourable conditions for agriculture, while the south faces arid conditions and high climate risks. Improvements in northern production and southern livelihood diversification will benefit both regions, addressing food and nutrition insecurity, low productivity and climate vulnerability.

C. Components, outcomes and activities

10. All SADCPC&H-SAMAP components and activities, except for a revised subcomponent 2.2, will be replicated in the SREP areas and advanced in the current SADCPC&H-SAMAP areas, with some adjustments to accommodate the specific needs of the new target areas and groups currently under SREP.
11. The AF will allow for the consolidation of the ongoing activities, FFS completion, institutional capacity-building of cooperatives, enhancement of the business plan

development capacities and the development of a viable pipeline for agribusiness investment.

12. **Component 1: Capacity-building and institutional development.** This component aims to strengthen smallholder farmers' technical, organizational and managerial skills and create a supportive policy environment. Initially targeting 2 provinces and 10 municipalities, SADCP-C&H-SAMAP will now expand to 7 provinces (36 municipalities) under the AF, covering diverse agroecological regions. The AF will enhance productivity and market linkages in the north and focus on resilience and sustainable agriculture in the south. It will also expand the number of beneficiaries to include those in SREP FFSs. SADCP-C&H-SAMAP phase 2 will build on these efforts, emphasizing commercialization and private sector engagement. Technical staff will be reallocated to support the expanded coverage, with a robust team of experts and facilitators. In summary, the AF will focus on supporting the following replicating and advancing activities:
- (a) Support the implementation of additional 1,391 FFS from SREP;
 - (b) Support short-term training and refresher courses for FFS implementation staff;
 - (c) Support the collection of climate information data analysis and access to climate information services for smallholder farmers, which will allow them to optimize water use in irrigation, soil conservation and erosion prevention practices as well as adapting decisions on planting dates, crops and varieties;
 - (d) Support the preparation of environmental and natural resources management plans;
 - (e) Pilot test of multipurpose water harvesting in the south (advancing);
 - (f) Support for the National Directorate of Studies, Planning and Statistics (GEPE) to carry out surveys on crop cutting/post-harvest surveys;
 - (g) Support the development of a seed system (coffee and food crops) that includes the emergence of a network of local seed multipliers (advancing); and
 - (h) Support sustainable land management with interventions to address land degradation by rehabilitating rangelands and pastures.
13. **Component 2: Support for increased production and commercialization.** This component aims to strengthen smallholder capital and market linkages by supporting investment subprojects for farmers' organizations (FOs) to improve agricultural production and productivity. The AF will build on existing support from SADCP-C&H-SAMAP and SREP, focusing on capacity-building for communities to manage technical investments and resources sustainably. Instead of matching grants, the AF will support establishing revolving funds, which have proved effective in providing interest-bearing loans to cooperatives and FOs, facilitating ongoing financial support through loan repayments.
14. **Component 3: Project management, monitoring and evaluation.** This component ensures timely and efficient project coordination, management, monitoring and evaluation (M&E), and knowledge management. It includes two subcomponents: project management and project monitoring and evaluation. The project will build on SADCP-C&H-SAMAP and integrate seven additional provincial project implementation units from SREP, handling planning, budgeting and fiduciary matters, coordination, M&E, learning, knowledge-sharing, environmental and social safeguards, audits and reporting. Responsibilities will be detailed in the project implementation manual and financing agreement. The SADCP-C&H-SAMAP additional financing will use the SREP structure in seven provinces, aiming to reach

49,895 households (about 249,290 people), including those benefiting from FFS, investments, irrigation, support for minority groups and post-harvest equipment.

D. Costs, benefits and financing

Project costs

15. Table 1 provides a summary of the total costs by financier (original and additional financing).
16. Project components 1 and 2 are partially counted as climate finance. As per the multilateral development banks' methodologies for tracking climate change adaptation and mitigation finance, the total amount of IFAD climate finance for this project is estimated as US\$9,900,000.
17. The full amount of the IFAD climate finance is allocated to this additional financing proposal.

Table 1

Original and additional financing summary

(Thousands of United States dollars)

	<i>Original financing*</i>	<i>Additional financing</i>	<i>Total</i>
IFAD loan	28 848	27 200	56 048
Beneficiaries	1 100	-	1 100
Borrower	8 237	2 216	10 453
Total	38 185	29 416	67 601

* See tables 1 and 2 in document EB 2017/120/R.9/Rev.1 for detailed breakdown.

18. There will be no change in the components or expenditure categories of the original financing. Additional financing costs by component and financier are provided in table 2.

Table 2

Additional financing: project costs by component, subcomponent and financier

(Millions of United States dollars)

<i>Component/subcomponent</i>	<i>IFAD additional financing</i>		<i>Borrower</i>		<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>
A. Capacity-building and institutional development					
1. Strengthening capacity of smallholder farmers and farmers' organizations through farmer field schools	10.5	97.6	0.3	2.4	10.7
2. Institutional strengthening of local, provincial and national units of the ministry of agriculture	2.2	100.0	0.0	-	2.2
3. Strengthening capacity and global knowledge to address emerging research issues	0.5	100.0	-	-	0.5
Subtotal	13.1	98.1	0.3	1.9	13.4
B. Support for increased production and commercialization					
1. Provision of technical support	0.7	100.0	-	-	0.7
2. Provision of investment support	7.9	93.6	0.5	6.4	8.4
Subtotal	8.6	94.0	0.5	6.0	9.1
C. Project management					
Project management	4.2	75.0	1.4	25.0	5.6
M&E	1.3	100.0	0.0	-	1.3
Subtotal	5.5	79.5	1.4	20.5	6.9
Total	27.2	92.5	2.2	7.5	29.4

19. The expenditure categories are summarized in table 3. It is important to note that most of the additional financing will go towards technical assistance and training (38 per cent).

Table 3

Additional financing: project costs by expenditure category and financier
(Millions of United States dollars)

<i>Expenditure category</i>	<i>IFAD additional financing</i>		<i>Borrower</i>		<i>Total</i>
	<i>Amount</i>	<i>%</i>	<i>Cash</i>	<i>%</i>	<i>Amount</i>
Investment costs					
A. Works	4.1	91.8	0.4	8.2	4.5
B. Equipment, material, goods and services					
Vehicles	-	-	-	-	-
Equipment	4.4	91.0	0.4	9.0	4.8
Subtotal	4.4	91.0	0.4	9.0	4.8
C. Consultancies					
Individual consultancy - local	0.2	100.0	-	-	0.2
Individual consultancy - foreign	0.2	100.0	-	-	0.2
Firm - NGO consultancy - local	1.3	100.0	-	-	1.3
Firm - NGO consultancy - foreign	1.7	100.0	-	-	1.7
Subtotal	3.5	100.0	-	-	3.5
D. Training and workshops					
Local training and workshops	5.7	100.0	0.0	-	5.7
International training	1.7	100.0	-	-	1.7
Subtotal	7.4	100.0	0.0	-	7.4
E. Grants and subsidies	1.5	100.0	-	-	1.5
F. Credit	-	-	-	-	-
G. Unallocated	0.0	100.0	-	-	0.0
Total investment costs	20.9	96.3	0.8	3.7	21.7
Recurrent costs					
A. Salaries and allowances	5.8	82.5	1.2	17.5	7.0
B. Operating costs					
Vehicle – operations and maintenance (O&M)	0.4	86.0	0.1	14.0	0.4
Office equipment O&M	0.1	51.5	0.1	48.5	0.3
Building O&M	-	-	-	-	-
Other operating costs	-	-	-	-	-
Subtotal	0.5	73.1	0.2	26.9	0.7
Total recurrent costs	6.3	81.6	1.4	18.4	7.7
Total	27.2	92.5	2.2	7.5	29.4

20. The overall recurrent costs for the additional financing are estimated at 26 per cent of the total project cost. The recurrent costs under the IFAD additional financing stand at US\$6.285 million, representing 23 per cent of the AF, which is above IFAD's 15 per cent threshold, but around the same level as the recurrent costs approved in the original financing (22 per cent). The high level of recurrent costs is attributable to the high cost of living (with implications for salaries, allowances and O&M costs); the weight of the extension works among project activities (with implications in terms of the number of front-line extensionists hired and their salaries); and the decentralized project structure (with implications for the number of staff hired), none of which can be avoided. The recurrent costs will be closely monitored during implementation.

Financing and cofinancing strategy and plan

21. The US\$27.2 million additional financing for SADCP-C&H-SAMAP will be a reallocation of part of the approximately US\$33 million in funds that has been cancelled from SREP due to chronic performance-related issues. The remaining

cancelled funds from SREP will be reallocated to a new design planned for approval in 2025.

Disbursement

22. The project will open a separate designated bank account in United States dollars for the additional financing at a commercial bank acceptable to IFAD. In addition, there will be an operating account in local currency (kwanza) to receive funds from the designated account. Provinces will have sub-accounts to receive funds from the operating account. Report-based disbursement will be the mechanism used by the project.
23. IFAD financing will not be used for payment of taxes and duties.

Summary of benefits and economic analysis

24. The unified economic and financial analysis (EFA) has been built by updating the EFA carried out at design (original financing), and considering the revised costs and targets introduced with the additional financing. The revised project will improve the livelihoods and nutrition status of 114,938 households overall (of which 60,000 were the original targets for SADCP-C&H-SAMAP), create employment at FOs or POs and boost the development of agricultural value chains.
25. In terms of the economic analysis, the EFA shows that the AF will improve the overall efficiency and economic viability of the project. At design the internal rate of return (IRR) was estimated at 18 per cent, with a net present value of US\$28.3 million, whereas with the AF, the IRR increases to 23.7 per cent with a net present value of US\$54.5 million. This clearly corroborates the argument that the AF will build on and strengthen the results achieved by SADCP-C&H-SAMAP. The additional benefits of the AF are described in the next section.

Exit strategy and sustainability

26. The project exit strategy and sustainability of the interventions rely on the following specific pillars: (i) the adoption by smallholders of improved practices leading to sustainable increases in productivity; (ii) the strengthening of agriculture cooperatives and their transformation into market-ready commercial businesses; (iii) the creation of a national capacity for agricultural extension and support based on farmer field school approaches.

III. Risk management

A. Risks and mitigation measures

27. Key risk areas include country context, political commitment, governance, macroeconomic factors, sector strategies and policies, environmental and climate context, project scope and technical soundness. Moderate to low risks are identified in institutional capacity for implementation and sustainability, and M&E arrangements. Financial management, organization and staffing, budgeting, fund flow/disbursement arrangements and internal controls also carry substantial risks.
28. The top risks related to the additional financing that could affect implementation and the achievement and sustainability of development outcomes include:
 - (a) **Macroeconomic factors.** High inflation, currency depreciation and substantial foreign-currency denominated government debt pose significant risks to the project's financial stability and overall economic environment.
 - (b) **Governance and coordination.** Weak coordination among stakeholders and potential inefficiencies in grievance redress mechanisms could lead to duplication and inconsistency in project implementation.
 - (c) **Environmental and climate context.** Climate variability and hazards could impact the sustainability of agricultural practices and infrastructure investments.

29. To mitigate these risks, the following measures will be implemented by IFAD, the Government, the project management unit and other partners:
- (a) **Enhanced stakeholder engagement.** Strengthening coordination and communication among stakeholders to ensure consistent and efficient project implementation.
 - (b) **Capacity-building.** Providing training and resources to improve institutional capacity for project management and sustainability.
 - (c) **Accessible grievance redress processes.** Establishing effective grievance redress mechanisms with whistle-blower protection measures to address concerns and improve transparency.
 - (d) **Climate-smart investments.** Integrating climate change effects into planning and design of irrigation investments and promoting sustainable agricultural practices to reduce vulnerability to climate variability.

B. Environment and social category

30. The environmental and social category for the AF is "moderate", which is consistent with the original financing. The environmental and social impacts are anticipated to be site-specific and manageable through appropriate mitigation measures. The main environmental risks include soil degradation, water pollution, and biodiversity loss due to increased agricultural activities. Social risks involve the impacts on culture, gender inequalities, and resource conflicts arising from heightened demand for land and water. Climate risks pertain to the vulnerability of the project areas to droughts, floods and climate variability. Capacity and knowledge gaps among local farmers and extension workers could hinder the adoption of climate-smart agricultural practices, impacting the project's overall effectiveness and sustainability. To comply with IFAD's Social, Environmental and Climate Assessment Procedures (SECAP) guidelines, the project developed an environmental and social management plan. A targeted adaptation assessment and stakeholder engagement plan will be developed by December 2024. A Free, Prior and Informed Consent plan and a grievance redress mechanism were developed at the AF design stage. Moreover, training on sustainable practices to ensure continuous monitoring and adaptive management will be provided during implementation.

C. Climate risk classification

31. The SADCP-C&H-SAMAP additional financing climate risk is classified as "substantial". The northern provinces are associated with rain-fed cereal regions that which are characterized by substantial annual fluctuations in rainfall, resulting in fluctuations in productivity. Droughts and floods have had a profound impact on the southern provinces. In both regions, producers employ conventional cropping techniques, with minimal consideration for soil or water conservation, soil nutrient replacement, plant variety selection, irrigation or other climate-adaptive technologies. A targeted adaptation assessment will be conducted to provide additional information regarding the adaptation measures planned by SADCP-C&H-SAMAP and the identified climate adaptation/mitigation measures will be incorporated into project activities.

IV. Implementation

A. Compliance with IFAD policies

32. There are no changes to the objectives or outcomes of the project. The project structure also remains unchanged. However, some adjustments to the logical framework will be required, as presented in the unified updated framework in appendix I.

33. Overall, the integration of SREP into SADCP-C&H-SAMAP aims to create a more comprehensive approach to agricultural development and resilience-building in Angola. The changes align the combined project with the harmonized goals of improving food security and nutrition, diversifying the economy, generating revenue, and improving the livelihoods and resilience of poorer households.

B. Organizational framework

Management and coordination

34. Implementation arrangements will be adapted to manage the expanded scope, including the addition of the technical support teams. Project management structures will also be revised to accommodate the larger scale of operations, including enhanced M&E systems to capture the impacts of the integrated project.

Financial management, procurement and governance

35. SADCP-C&H-SAMAP's original financial management arrangements will continue to be used for additional financing, but there will be additional administrative assistants due to the increased number of provinces. Since the country's financial management systems are weak, SADCP-C&H-SAMAP will not be using national systems.
36. IFAD-financed and -managed operations will be governed by the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations, as available on IFAD's website.

Procurement

37. Procurement of goods, works and services for the SADCP-C&H-SAMAP additional financing will be carried out in accordance with the Angolan Public Procurement Law and will comply with IFAD requirements to be specified in the financing agreement and the procurement arrangements. However, IFAD's procedures, standard bidding documents, and contract terms and conditions will be used under the international competitive bidding method and the procurement of consultancy services.
38. In case of contradictions between the national procurement regulations and the IFAD Project Procurement Guidelines, the IFAD Project Procurement Guidelines will prevail.

Governance

39. The project will retain the current SADCP-C&H-SAMAP procurement specialist and one of the procurement assistants to continue their functions in the project for the additional financing. The team will be strengthened by absorbing the SREP procurement officer into SADCP-C&H-SAMAP.
40. All procurement documentation issued to bidders will include and comply with the relevant safeguard provisions.

C. Monitoring and evaluation, learning, knowledge management and strategic communication

41. **Monitoring and evaluation.** The M&E system will keep tracking both physical and financial progress, along with advancements towards project goals, serving as a vital management tool. Inputs, outputs, processes and outcomes will be monitored following logical framework indicators, utilizing data collected by project staff, service providers/implementing partners and surveys (core outcome indicator surveys), and managed through the project management information system, staff reports and surveys. All data will be disaggregated by sex and age.
42. **Learning, knowledge management and strategic communication.** SADCP-C&H-SAMAP's knowledge management system captures, stores, shares and utilizes data on crop yields, market trends and farmer practices to inform decisions and record best practices. Digital platforms facilitate knowledge exchange among

farmers, researchers and extension workers. Strategic communication supports project objectives through stakeholder dialogue, awareness campaigns and diverse media, while also setting up feedback channels and advocating for policy support. With the additional financing, these elements will be refined and scaled up to enhance agricultural practices and project implementation.

D. Proposed amendments to the financing agreement

43. The financing agreement will be revised in terms of the amount that IFAD will contribute, as per cost table 2, in accordance with the category allocations outlined in table 3. Completion and closing dates will also be extended by 42 months. There will be no other changes to the financing agreement.

V. Legal instruments and authority

44. A financing agreement between the Republic of Angola and IFAD will constitute the legal instrument for extending the proposed additional financing to the borrower. The signed financing agreement will be amended following approval of the additional financing.
45. The Republic of Angola is empowered under its laws to receive financing from IFAD.
46. I am satisfied that the proposed additional financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

VI. Recommendation

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

RESOLVED: that the Fund shall provide a loan on ordinary terms to the Republic of Angola in an amount of twenty seven million two hundred thousand United States dollars (US\$27,200,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario
President

Updated logical framework incorporating the additional financing

Results Hierarchy	Indicators					Means of Verification			Assumptions
	Name	Baseline	Mid-Term	Original target	AF End Target	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members					Progress Reports	Annual	PMU	Primary target communities, women and young people are incentivized to actively participate in project activities, where 50% of target are women, 50% men, 30% are young people, and 5% are PWD
	Household members - Number of people	-	100,000	300,000	574,690				
	1.a Corresponding number of households reached					Progress Reports	Annual	PMU	
	Households - Households		20000	60000	114,938				
1 Persons receiving services promoted or supported by the project					Progress Reports	Annual	PMU		
Total number of persons receiving services - Number of people	-	20,000	60,000	114,938					
Project Goal To diversify the economy, generate revenue and improve livelihoods and food and nutrition security of poorer households	Improved household asset ownership index					Baseline, mid-term and end of project surveys	Baseline, Midline and Endline	Service Provider	Policy, governance and macroeconomic risks will not interfere with program Implementation
	Household asset ownership - Percentage (%)		10	25	25				
	Women reporting minimum dietary diversity					Baseline survey, nutritional assessments	Baseline, Midline and Endline	Service Provider	
(%) women reporting improved quality of their diets - Percentage (%)			-	50					
Development Objective To increase smallholder agriculture productivity, production, resilience and marketing for selected crops in the Project areas.	Percentage of FFS beneficiaries receiving nutrition education					Reports of implementing entities and IDA records	Annual	PIU, PPIU, IDA, service providers	Extreme climate change shocks, Policy, governance and macroeconomic risks will not interfere with program Implementation
	Beneficiaries - Number	-	20,000	60,000	114,938				
	Average crop yields					Surveys of the FFS/FBS participants and subproject beneficiaries	Annual	PIU IDA, service provider	
	Maize (MT/ha) average - Number	0.5	1	2.1	2.1				
	Beans (MT/ha) average - Number	0.3	0.55	0.9	0.9				
	Onion (MT/ha) average - Number	8	12	14	14				
	Irish potato (MT/ha) average - Number	9	10	12	12				
	Cassava (MT/ha) average - Number	7	9	13	13				
	No. of HH report a>50% increase in resilience score					Specific technical and project activity reports	Annual	PIU	
	Households number			0	10000				
	0	0							
Proportion of targeted smallholder production marketed (%)					Surveys of the FFS/FBS participants and subproject beneficiaries	Annual	PIU IDA, service provider		
Marketed production - Percentage (%)	15	20	25	25					
SF.2.1 Households satisfied with project-supported services					COI Surveys	Baseline, Midline and Endline	IDA, service provider		
Households - Number	0	-	-	86,204					
Outcome Outcome 1: Smallholder	2.2.4. Supported rural producers' organizations providing new or improved services to their members					COI Surveys		IDA, service provider	Conducive policy framework for FOs

Results Hierarchy	Indicators					Means of Verification			Assumptions
	Name	Baseline	Mid-Term	Original target	AF End Target	Source	Frequency	Responsibility	
farmers and government agricultural extension capacity, and policy strengthened	Number of POs - Number			132	132		Baseline, Midline and Endline		and agricultural extension service
	1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)					COI Surveys	Baseline, Midline and Endline	IDA, service provider	
	Households (number) - Households			30,000	57,469				
	Appropriate smallholder agricultural policies included in national & sectoral development plans					National Development Plans/sector Strategy Reports/ Surveys of the FFS/FBS participants	Baseline, Midline and Endline	PIU, IDA, service provider	
	Policies included in Development Plans - Number	0	1	3	3				
Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment					National Development Plans/sector Strategy Reports/ Surveys of the FFS/FBS participants	Baseline, Midline and Endline	PIU, IDA, service provider		
Number - Number	0	1	3	3					
Output	1.1.4 Persons trained in production practices and/or technologies					IDA records	Annual	IDA, service provider	Existence of competent local implementing partners provide farmers with technical and managerial capacity
Output 1.1 Smallholder farmers' technical, organisational and managerial competence improved	Total persons trained in crop - Number of people	0	20,000	60,000	103,027				
	1.1.8 Households provided with targeted support to improve their nutrition					IDA records	Annual	IDA, service provider	
	Total persons participating - Number of people	0	30,000	60,000	114,938				
Output	Percentage of FOs operational					Reporting service provider	Annual	PIU, IDA	Policy and technical conditions for farmers to cooperate exist
Output 1.2 Supported smallholder farmers' organisations and cooperatives (FOs) fully functional	Farmer Organizations operational - Percentage (%)	0	30	60	60				
	2.1.3 Rural producers' organizations supported					Reporting service provider	Annual	PIU, IDA	
	Rural POs supported - Organizations	0	90	180	218				
Output	Number of MINAGRI/IDA/ICA staff trained in FFS approach, production and market access					Reporting service provider	Annual	PIU, IDA	Conducive policy framework for agricultural extension service
Output 1.3 Enhanced capacity of MINAGRIF extension service staff on service delivery	Trained staff - Number	0	100	150	365				
Output	Number of registered entities (with membership data disaggregated by gender)					Registrar	Annual	MINAGRI	Policy and technical conditions for farmers to cooperate exist
Output 1.4 Registration of farmers' associations and cooperatives (including Water User Associations)	Registered entities - Number	0	50	165	201				

Results Hierarchy	Indicators				Means of Verification			Assumptions	
	Name	Baseline	Mid-Term	Original target	AF End Target	Source	Frequency		Responsibility
streamlined and supported									
Outcome Outcome 2: Government capacity to support climate resilient smallholder agricultural production and commercialization enhanced	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices					COI Surveys	Baseline, Midline and Endline	IDA, service provider	Government is willing to engage stakeholders in smallholder agricultural production and commercialization
	Households - Number	0	24,000	48,000	91,950				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers					COI Surveys	Baseline, Midline and Endline	IDA, service provider	
	Households - Number	0	-	-	86,204				
Output Output 2.1 Institutional capacity of national and provincial-level agricultural research system strengthened	3.2.2 Number of persons reporting adoption of environmentally sustainable and climate resilient technologies and practiced					COI Surveys	Baseline, Midline and Endline	IDA, service provider	Sufficient capacity of IIA& IDA to prepare technology kits
	Number of people	0			100,000				
	Number of recommended technology packages for project crops and target groups developed					IIA & IDA	Annual	IDA	
	technologies developed - Number	0	Annual	5	40				
Output Output 3.1 Strengthened business capacity of farmers and value chain actors	1.1.3 Rural producers accessing production inputs and/or technological packages					IDA Report /Project Progress Reports	Annual	IDA	Enhanced farmers and FOs capacity to produce for market
	Total rural producers - Number of people	0	Annual	35,000	52,000				
	Number of adapted climate resilience technologies applied					IDA Report /Project Progress Reports	Annual	IDA	
	climate technologies applied - Number	0	Annual	20	13				
Outcome Outcome 3: Investments in agricultural production and postharvest management increased	3.1.2 Persons provided with climate information services					IDA Report /Project Progress Reports	Annual	IDA	Enhanced farmers and FOs capacity to produce for market
	Number of people	0	30,000	60,000	98,864				
Output Output 3.2 Community-based financial organizations established	2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities					COI Surveys	Baseline, Midline and Endline	IDA, service provider	Organized farmers groups exist consisting main target groups of Women and Young people
	Number of POs	0	83	165	121				
Output Output 3.1 Strengthened business capacity of farmers and value chain actors	Financially viable BPs and bankable agri-investments supported					IDA Report /Project Progress Reports	Annual	PPIUs	Enhanced farmers capacity to utilize and manage collective resources
	SP approved - Number	0	50	150	186				
	Water management groups' financial management plans supported					IDA Report /Project Progress Reports	Annual	PPIUs	
	Number of financial management plans			0	100				

Logic: Total targets are a sum of SAMAP targets (in some cases achieved results) and the additional financing targets (mainly achieved results from SREP interventions) as well as new targets resulting from restructured subcomponent 2.2.

Updated summary of the economic and financial analysis

Table A

Models' financial cash flow						
FINANCIAL ANALYSIS		Farm models' net incremental benefits -NIB (in AOA)				
		Model 1: rain-fed, FFS	Model 2: rain-fed, FFS and investment support	Model 3: horticulture, FFS	Model 4: horticulture, FFS and investment support	Model 5: irrigation, FFS
	PY1	-60,780	-71,228	-66,149	-53,032	-342,897
	PY2	-11,431	-15,502	39,362	-13,042	11,511
	PY3	35,919	38,225	73,713	24,949	240,168
	PY4	85,268	93,951	110,065	64,939	470,826
	PY5	84,268	92,951	109,065	63,939	469,826
	PY6	85,268	81,959	110,065	64,939	470,826
	PY7	84,268	86,955	109,065	64,939	469,826
	PY8	85,268	93,951	110,065	64,939	470,826
PY9	84,268	92,951	109,065	63,939	469,826	
PY10	85,268	93,951	110,065	64,939	470,826	
B/C ratio		1.12	1.97	1.98	1.49	1.18
NPV @ 20% discount rate (AOA)		139,191	141,416	243,588	95,775	842,495
FIRR		60%	55%	99%	52%	66%
Return to family labour (AOA)		3,198	2,352	6,059	4,970	4,088

Financial cash flow models

Table B

Project/programme costs and logframe targets

Targets used in the analysis - linked to the wsheet 'Phasing-aggregation'														
Number of beneficiaries		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	
		PY1	PY2	PY3	PY4	PY5	PY6	PY7	PY8	PY9	PY10	PY11	PY12	TOTAL
Rainfed FFS	Number	-	-	1 910	4 453	1875	4 740	9 133	7 175	9 973	6 231	6 231	-	51 722
Rainfed Investment	Number	-	-	637	1 484	625	1 580	3 044	2 392	3 324	2 077	2 077	-	17 241
Horticulture investment	Number	-	-	85	198	83	211	406	319	443	277	277	-	2 299
Horticulture FFS	Number	-	-	340	792	333	843	1 624	1 276	1 773	1 108	1 108	-	9 195
Irrigation	Number	-	-	1 274	2 969	1250	3 160	6 089	4 783	6 649	4 154	4 154	-	34 481
Total		-	-	4 245	9 895	4166	10534	20 296	15 944	22 162	13 848	13 848	-	114 938
From the Logframe														
		Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8					end target
		2017	2018	2019	2020	2021	2022	2023	2024					
Hhs		-	-	4 245	9 895	4166	10 534	20 296	15 944					114 938

Table C

Main assumptions and shadow prices

Main Assumptions and Shadow prices	
Item	Conversion factor
Fertilizers	0.5
Chemicals	0.7
Seeds	1
Maize (improved seed)	0.9
Bean and soybean seeds	0.8
Packaging	0.9
Labour	0.85
Animal Power	1
Price crops (except Maize and Bean)	1
Other (farm replacement)	1

Project Economic cash flow									
ECONOMIC ANALYSIS	Net Aggregated Incremental Benefits (NIB) (US\$ '000)						Total Economic NIB a/ (USD '000)	Incremental Economic Costs (USD '000)	Cash Flow (US\$D'000)
	Model 1: rain-fed, FFS	Model 2: rain-fed, FFS and investment support	Model 3: horticulture, FFS	Model 4: horticulture, FFS and investment support	Model 5: irrigation, FFS				
	PY1	-	-	-	-	-	0	-	
	PY2	-	-	-	-	-	796	(796)	
	PY3	106	52	0	(12)	44	5 074	(4 979)	
	PY4	487	222	4	(25)	698	5 073	(4 380)	
	PY5	1 033	440	15	13	2 369	8 510	(6 575)	
	PY6	1 865	782	29	47	4 159	4 242	(801)	
	PY7	3 142	1 198	49	76	6 874	5 366	303	
	PY8	4 633	1 598	77	153	10 862	13 850	(5 189)	
	PY9	6 644	2 109	114	252	15 650	14 304	(1 920)	
	PY10	8 469	2 253	160	455	21 457	9 567	6 830	
	PY11	9 648	2 251	189	585	24 528	3 159	15 442	
	PY12	10 345	2 260	207	663	26 322	1 751	18 148	
	PY13	10 340	2 274	207	662	26 318	1 751	18 150	
	PY14	10 350	2 270	207	664	26 325	1 751	18 158	
	PY15	10 342	2 275	207	663	26 320	1 751	18 152	
	PY16	10 356	2 278	207	665	26 329	1 751	18 167	
	PY17	10 353	2 278	207	665	26 327	1 751	18 164	
	PY18	10 364	2 278	208	667	26 334	1 751	18 175	
	PY19	10 364	2 278	208	667	26 334	1 751	18 175	
	PY20	10 364	2 278	208	667	26 334	1 751	18 175	
		<u>ENPV (US\$ '000)</u>	-	58 994			a/ with an adoption rate of:	50%	
		EIRR		23.6%					

Table F
Sensitivity analysis

Table 9. Sensitivity analysis summary

$\Delta\%$		Link with the risk matrix	IRR (%)	NPV (USD '000)
		Base case	23.6%	58,994
Decrease in benefits	-10%	Combination of risks affecting output prices, yields and adoption rates, mainly linked with the country's environmental and climate context (e.g., climate variability and hazards could impact the sustainability of agricultural practices and infrastructure investments).	20.8%	47,861
	-20%		17.8%	36,727
	-30%		14.6%	25,594
	-50%		7.3%	3,327
Increase in project costs	10%	Increase of input prices or construction material, mainly linked to macroeconomic factors (e.g., high inflation, currency depreciation, and substantial foreign-currency denominated government debt which pose significant risks to the project's financial stability and overall economic environment)	21.0%	53,760
	20%		18.8%	48,526
	50%		13.5%	32,824
Delay of benefits	1 year	Risks affecting adoption rates and low implementation capacity, mainly linked with governance and coordination (e.g. weak coordination among stakeholders and potential inefficiencies in grievance redress mechanisms could lead to duplication and inconsistency in project implementation).	18.5%	46,831
	2 years		14.9%	35,356