

5 May 2021

Prepared by: RDGS/AHHD/AHAI/PGCL

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BOARD APPROVAL
Lapse-of-time Procedure

5 May 2021

FOR INFORMATION

MEMORANDUM

TO : THE BOARD OF DIRECTORS

FROM : Vincent O. NMEHIELLE
Secretary General

SUBJECT : ZAMBIA: MITIGATING IMPACT OF COVID19 ON HOUSEHOLD FOOD SECURITY (C19-HFS) *

GAFSP GRANT OF USD 1,400,000

The above-mentioned **Grant Proposal** and the **draft Resolution** were submitted for your **consideration on a Lapse-of-time Basis** on 21 April 2021.

Since no objection was recorded by 5:00 p.m. on 5 May 2021, the said Grant Proposal is considered as **approved** and the Resolution **adopted**.

Attach:

Cc : The President

* Questions on this document should be referred to:

Mrs. L. MOKADEM	Director-General	RDGS	Extension 7301
Mr. M. FREGENE	Director	AHAI	Extension 5586
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AFRICAN DEVELOPMENT BANK



PROJECT: MITIGATING IMPACT OF COVID19 ON HOUSEHOLD FOOD SECURITY (C19-HFS)

COUNTRY: ZAMBIA

PROJECT APPRAISAL REPORT

Date: April 2021

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AFRICAN DEVELOPMENT BANK



ZAMBIA

MITIGATING IMPACT OF COVID19 ON HOUSEHOLD FOOD SECURITY (C19-HFS)

APPRAISAL REPORT

RDGS/AHHD/AHAI/PGCL

April 2021

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Currency Equivalents

(January 2021)

1 UA	=	1.44027 USD
1 UA	=	27.97759 ZMW
1 USD	=	19.81921 ZMW

Fiscal Year

1st January to 31st December

Weights and Measures

1 metric tonne (t)	=	2,204 pounds (lbs)
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

Acronyms and Abbreviations

AfDB	.....	African Development Bank
ESMP/F	.....	Environmental and Social Management Plan
GoZ	.....	Government of Zambia
GAFSP	.....	Global Agriculture and Food Security Programme
M&E	.....	Monitoring & Evaluation
MoA	.....	Ministry of Agriculture
mt	.....	Metric Tonne
MCPRP	.....	Multi-sectoral Contingency Preparedness and Response Plan
NGO	.....	Non-Governmental Organization
NPP	.....	National Procurement Procedures
O&M	.....	Operation and Maintenance
M&E	.....	Monitoring and Evaluation
PCU	.....	Project Coordination Unit
PS	.....	Permanent Secretary
PY	.....	Project Year
SNDP	.....	Sixth National Development Plan
UA	.....	Unit of Account
USD	.....	United States Dollars
ZMW	.....	Zambia Kwacha

Grant Information

Client's information

GRANT RECIPIENT: Republic of Zambia

EXECUTING AGENCY: Ministry of Agriculture

Financing plan

Source	Amount (USD)	Amount (UA) ¹	%age	Instrument
GAFSP ²	1.40 million	0.97 million	88.5%	Grant
Government	0.16 million	0.11 million	10.1%	N/A
Beneficiaries	0.02 million	0.015 million	1.4%	N/A
Total Cost	1.58 million	1.10 million	100.0%	

Important Financial Information (GAFSP Grant)

Grant Currency	USD
Type of Interest	NA
Interest Rate Margin	NA
Commitment Charge/Fee	NA
Service Charge	NA
Tenor	NA
Grace Period	NA
FIRR, NPV (base case)	19.48%, NPV value at 12% is USD 3.4 million
EIRR, NPV (base case)	26.33%, NPV value at 12% is USD 4.1 million

Timeframe - Main Milestones (expected)

Concept Note Approval (Regional Director)	January, 2020
Project Approval	March, 2021
Effectiveness	April, 2021 (signature)
Completion	December, 2022
Last Disbursement	June, 2023
Last Repayment	NA (GAFSP Grant)

¹ Exchange rate UA 1 = USD 1.44027 (January 2021).

² GAFSP = Global Agriculture and Food Security Programme (Multi-Donor Trust Fund) is a multilateral mechanism aimed at scaling-up support to help poor countries alleviate poverty, improve rural livelihoods, improve food security by raising agricultural productivity, linking smallholder farmers to markets, reducing risk and vulnerability.

PROJECT SUMMARY

1.1 Project Overview: The Mitigating Impacts of COVID19 on Household Food Security Project (C19-HFS) is a supplement to the Agriculture Productivity and Market Enhancement Project (APMEP), both financed with Grant resources from the GAFSP Multi-Donor Trust Fund. APMEP is being implemented in Sinazongwe, Gwembe, Chongwe, Rufunsa, Serenje and Chitambo Districts. C19-HFS will be implemented over 2 years in the same districts. The sector goal is to contribute to economic growth and food security. APMEP's objectives are to contribute to economic growth and poverty reduction by enhancing food, income and nutritional security, among participating households. The objective of C19-HFS is to mitigate the negative impacts of COVID19 on Household Food Security in the project areas in which APMEP has been operating with 3 components: (1) Agriculture Production and Productivity; (2) Value Chain Development and Market Linkages; and (3) Institutional Strengthening. C19-HFS is mainly aligned to supplement and boost food security through components 1, 2 and 3 (Nutrition). The Project will be mainly financed by a GAFSP Grant of USD 1.40 (UA 0.97) million.

1.2 C19-HFS is expected to directly benefit about 5,000 COVID19 affected people [including 3,750 women (75%) and 1,000 youths (20%)]. In addition, about 5,000 people will indirectly benefit along the commodity value chain. The Project will create about 150 full-time skilled/semi-skilled and 40 part-time unskilled jobs in crop, livestock and fisheries production through agri-business, processing and marketing. The Project will promote good agricultural practices to increase production and productivity through supply of inputs for crops, livestock and aquaculture activities. Increased food supply will reduce malnutrition among under-5 children, pregnant and breastfeeding women.

Needs Assessment: GoZ has launched a nationwide programme to scale-up agricultural diversification. The agriculture sector is an important source of livelihoods and employment. The outbreak of COVID19 threatens livelihood and food security in the target area that lies proximal to major COVID 19 hotspots. COVID19 preventive measures are locking down most economic activities and safety nets for vulnerable families.

Bank's Added Value: The Bank has developed experience in agricultural and livelihood improvement. Lessons learned from previous Bank's development and emergency interventions will be applied to reduce vulnerability of livelihoods against COVID19. The Bank has developed a broader USD10 billion COVID-19 Crisis Response Facility (CRF) to help member governments access resources to implement COVID-19 mitigation investments. The Bank's Agriculture Department has also developed the Africa Food Crisis Response to COVID-19 (AFCRE), through which accelerated mobilization of resources is assured. C19-HFS is in line with these Bank strategies as well as the Zambia CSP (2016-2021), Gender Strategy (2014-2018), Ten Year Strategy (2013-2022) and the Feed Africa Strategy for Agricultural Transformation (2016-2025).

1.3 Knowledge Management: Knowledge generated through implementation of this project will be used in designing future similar emergency interventions. The gained knowledge will be documented through a monitoring and evaluation system, progress reports, beneficiary impact assessment report and project completion report.

RESULTS-BASED LOGICAL FRAMEWORK (NEW FORMAT AS AT APRIL 2021)

RESULTS FRAMEWORK					
A PROJECT INFORMATION					
PROJECT NAME AND SAP CODE: P-ZM-AA0-038			COUNTRY/REGION: ZAMBIA/RDGS		
PROJECT DEVELOPMENT OBJECTIVE: To reduce poverty by ensuring income, food and nutritional security among COVID19 affected households in participating Districts.					
ALIGNMENT INDICATOR (S): Number of months of food scarcity for COVID19 affected households reduced from 4 to 2 months, Increased COVID19 awareness					
B RESULTS MATRIX					
RESULTS CHAIN AND INDICATOR DESCRIPTION	RMF/ADOA INDICATOR	UNIT OF MEASUREMENT	BASELINE (2020)	TARGET AT COMPLETION (2023)	MEANS OF VERIFICATION
OUTCOME STATEMENT 1: COVID19 affected Households Increase Agricultural Production					
OUTCOME INDICATOR 1.1: Number of beneficiaries receiving safe agro inputs	√	No	0	5000 Females and 2500 Youth	Zambia Statistical Agency
OUTCOME INDICATOR 1.2: Area under staple and biofortified crops increased	√	ha	0	356	Zambia Statistical Agency
OUTPUT INDICATOR 1.3: Additional Area irrigated using solar powered pumps	√	ha	0	50	Zambia Statistical Agency
OUTCOME STATEMENT 2: COVID19 affected Households Receive safe foods and information on COVID19 and its management					
OUTCOME INDICATOR 2.1: Number of beneficiaries receiving supplementary food		No	0	6,000 Females (4000)	Ministry of Agriculture Project report
OUTCOME INDICATOR 2.2: Number of households trained in COVID19 and nutrition	√	No	0	5000 Females and 2500 Males	Ministry of Agriculture Project report
OUTCOME INDICATOR 2.3: Volume of agro-products processed on-farm (mills, expellers and presses) increases among beneficiaries		mt	0	250	Ministry of Agriculture Project report
OUTCOME INDICATOR 2.4: Number of households receiving PPE and COVID19 printed materials		No	0	6000	Ministry of Agriculture Project report
OUTCOME INDICATOR 2.5: Information base on COVID19 improved through M&E, ESW Study on impact of COVID19 and E&S audit		No	0	1	Ministry of Agriculture Project report
OUTCOME STATEMENT 3: Livelihoods and incomes diversified for 2000 COVID19 affected Households					
OUTCOME INDICATOR 3.1: Mushroom production increased	√	mt	0	100 mt;	Ministry of Agriculture Project report
OUTCOME INDICATOR 3.2: Livestock production increases through poultry and goat distribution and vaccination	√	No	0	Poultry (3000) Goats (1000)	Ministry of Fisheries and Livestock Project report
OUTCOME INDICATOR 3.3: Fish production increased through supply of fingerlings and feed	√	mt	0	300	Ministry of Fisheries and Livestock Project report
OUTCOME INDICATOR 3.4: Honey production increased through distribution of beekeeping kits	√	mt	0	300	Ministry of Agriculture Project report

PROJECT TIME FRAME/IMPLEMENTATION SCHEDULE³

No.	Description of Activities	Activities	Financial Year = Calendar Year									
			2021				2022					
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
1	GAFSP and AfDB Board Approval											
2	Signature (Agreement)											
3	Recruitment and Appointment of Project Staff											
4	Project launch											
Component 1: Agriculture Production and Productivity												
5	Irrigation Development											
5.1		Preparatory and procurement Activities										
5.2		Distribute small irrigation pumps										
5.3		Procure and distribute Vegetable seed packs										
6	Crop Diversification											
6.1		Distribute improved cassava cuttings										
6.2		Procure and Distribute Mushroom spawn materials										
6.3		Procure and Distribute Mechanised implement sets										
6.4		Procure and Distribute CSA seed packs										
6.5		Procure and Distribute fertilizer										
6.6		Procure and Distribute agrochemical packs										
7	Livestock Development											
7.1		Procure and Distribute poultry										
7.2		Procure and Distribute Goats										
7.3		Procure and Distribute vaccines										
8	Aquaculture Development											
8.1		Procure and Distribute fingerlings to stock fish pens, cages and ponds										
8.2		Procure and Distribute fish feed										
9	Apiculture Development											
9.1		Procure and Distribute Beehives and equipment										
Component 2: Value Chain Development and Market Linkages												
10	Agro processing capacity developed											

³ This is a general Project implementation schedule. Consequently, the detailed annual work schedule will be developed before the beginning of each Project year.

REPORT AND RECOMMENDATION BY MANAGEMENT TO THE BOARD OF DIRECTORS ON A PROPOSED GAFSP GRANT FOR IMPLEMENTATION OF MITIGATING THE IMPACT OF COVID19 ON HOUSEHOLD FOOD SECURITY PROJECT (C19-HFS)

Management submits the following Report and Recommendation on a proposed GAFSP Grant of USD 1,400,000 (UA 970,000) to the Republic of Zambia, to finance the implementation of Mitigating the Impact of COVID19 on Household Food Security Project (C19-HFS).

I STRATEGIC THRUST & RATIONALE

1.1. Project Linkages with Country Strategy and Objectives

1.1.1 The National Vision 2020 articulates the development agenda of GoZ and reflects its aspiration to be a prosperous middle-income country (MIC) by year 2030. This is being operationalised through the Seventh National Development Plan (7NDP: 2017-2021). The goal of the 7NDP is to create a diversified and resilient economy for sustained growth and socioeconomic transformation driven, among others, by agriculture. It is also in support of the UN 2030 Agenda for Sustainable Development and the African Union Agenda 2063. This project falls within the framework of the Country Strategy Paper (CSP: 2017-2021) whose strategic goals are to: i) *raise productivity and strengthen trade competitiveness, to expand non-traditional exports and reduce vulnerability to copper*; and ii) *create a business-friendly environment to support diversification and industrialization while improving nutrition*. The project contributes to the High Fives, specifically, Feed Africa, Industrialize Africa and Improve the quality of lives in Africans.

1.1.2 The contribution of the agriculture sector to GDP is estimated around 21.5% and it provides livelihoods for over 50% of Zambians. The proposed Project builds on the existing Agriculture Productivity and Market Enhancement Project (APMEP) and will mitigate negative impacts of COVID19 on agriculture and food security. The project is aligned with the 7NDP, the National Agriculture Policy (NAP 2011-2015), Fisheries and Aquaculture Policy (2020), National Gender Policy (2000), the Food and Nutrition Policy (2006), the National Food and Nutrition Strategic Plan (2011-2015), and the First 1,000 Most Critical Days (2013-2015). The Zambia comparative socio-economic indicators are provided in **Appendix 1**.

1.2. Rationale for Bank's Involvement

1.2.1. The Bank has experience in agricultural and livelihood improvement in Zambia. Lessons learned from previous Bank's development and emergency interventions will be applied to reduce vulnerability of livelihoods against COVID19. The Bank has developed a broader USD10 billion COVID-19 Crisis Response Facility (CRF) to help member governments access resources to implement COVID19 mitigation investments. The Bank's Agriculture Department has also developed the Africa Food Crisis Response to COVID19 (AFCRE), through which accelerated mobilization of resources is assured. C19-HFS is in line with these Bank strategies as well as the Zambia CSP (2016-2021), Gender Strategy (2014-2018), Ten Year Strategy (2013-2022) and the Feed Africa Strategy for Agricultural Transformation (2016-2025).

1.2.2. Since the outbreak of COVID-19 in 2019, Zambia has implemented unprecedented measures to safeguard the health of its citizens and to protect the economy against the pandemic. Confirmed cases continue to escalate with over 55,000 cases and 700 deaths recorded as 31 January 2021. More than 90% of the 110 districts have reported positive cases. The country's health and food systems are not equipped to effectively face an eventual massive outbreak. Zambia is expected to suffer economic losses and compounded by pre-existing vulnerabilities and inequalities, based on gender, age, disability, ethnicity, citizenship status, conflict and climatic risk exposure, displacement and migration, and on other personal situations that can complicate access to welfare and generate discrimination in society. The GRZ instituted a fiscal stimulus

package as part of its COVID-19 Multi-sectoral Contingency Preparedness and Response Plan (MCPRP). Furthermore, GoZ established an Epidemic Preparedness Fund under the Ministry of Health amounting to ZMW57 million, while Cabinet approved a COVID-19 Contingency and Response Plan with a budget of ZMW659 million under the Disaster Management and Mitigation Unit, among other measures. GoZ also recently announced an **Economic Recovery Programme (ERP)**, to address the various socio-economic dimensions of COVID-19 over the next four years (2020-2023). These measures should be supported by Cooperating Partners.

1.3. Donors Coordination

1.3.1 The Cooperating Partners have positioned themselves to support Zambia’s short and long-term development agenda and address the attendant effects of COVID19 on the economy through the multi-sectoral **MCPRP**. In the agriculture sector, the Cooperating Partner (CP) Group whose membership includes the EU, FAO, Finland, JICA, World Bank, AfDB, WFP, IFAD, USAID, Sweden and Norway continue to ensure a coordinated and effective communication with GoZ. In recent years, the CPs’ contribution to the agriculture sector budget has declined from about 30% (UA 70 million) in 2012 to less than 10% as shown in Table 1.1. The Zambia Country Office (COZM) chaired the Ag-CP in 2012 and has remained active in playing a pivotal role in donor coordination activities and overall portfolio management. The current CPs’ activities are indicated in Appendix 3.

Table: 1.1 Donor Support to Agriculture (2019)

Sector or subsector*	Size				
	GDP	Exports	Labour Force		
Agriculture	21	20	67		
Players - Public Annual Expenditure (average) : 2019 Budget					
	Government	Donors	AfDB 33.4%	FAO 1.1%	Finland 0.6%
UA m	UA 211.1 m	UA 40.0 m	WB 36.3%	JICA 3.4%	USAID 1.9%
%	84.1%	15.9%	EU 4.7%	WFP 5.3%	Norway 0.5.0%
			DFID 1.1%	IFAD 13.4%	
Level of Donor Coordination					
Existence of Thematic Working Groups (this sector/sub-sector)				[Y]	
Existence of SWAs or Integrated Sector Approaches				[N]	
ADB's Involvement in Donors Coordination				[M]	

Key: L: Leader. M: Member but not leader. N: No involvement. Y: Yes. N: No.

1.3.2 Following the outbreak of COVID19, the CPs led by the UN, in March 2020, developed a joint Socio-Economic Response and Recovery Plan to COVID-19 in Zambia that set out a framework for socio-economic support to be provided to support the GRZ’s COVID-19 Multi-sectoral Contingency and Response Plan (MCRP). The framework brings together the joint UN-CP response, progress, challenges and required budgets needed to ensure adequate response to Covid-19 in Zambia in the short and medium-term. The Plan is organized into five pillars aiming to: i) help comprehensively protect the health system during the COVID-19 crisis; ii) at the same time, protect people through social protections and basic services; iii) protect jobs, small- and medium-sized enterprises and vulnerable workers in the informal sector through economic recovery; iv) help guide the necessary surge in fiscal and financial stimulus to make the macroeconomic framework work for the most vulnerable and foster sustainable development and strengthen multilateral and regional responses; and v) promote social cohesion and build trust through social dialogue and political engagement and invest in community-led resilience⁴. These five pillars are connected by a strong environmental sustainability, peacebuilding, rights based

⁴ UN Zambia Socio-Economic Response to COVID-19 Report, A Contribution to GRZ Covid-19 Multisectoral Contingency Plan and Recovery Efforts. United Nations Zambia, June 2020.

and gender equality imperative to build back better. Most donors have responded by providing financial and technical resources to the national response plan though these are yet to be quantified.

1.3.3 On its part, the Bank put in place a USD10 billion COVID-19 Crisis Response Facility (CRF) to help member governments access resources to implement COVID-19 mitigation investments. The Agriculture Department also developed the Africa Food Crisis Response to COVID-19 (AFCRE), through which accelerated mobilization of resources is expected to support the food crisis support measures. In Zambia, more than USD1.4 million was mobilised in October 2020 from on-going Feed Africa projects to support the mitigation of impacts of COVID19 on food security and nutrition. GAFSP agreed to provide an extra USD1.4 million on top of its USD31.12million APMEP funding. This fund is the basis for the design of C19-HFS and would be instrumental during implementation. C19-HFS is also in line with the Bank’s Zambia CSP (2017-2021), Gender Strategy (2014-2018), Ten Year Strategy (2013-2022) and the Feed Africa Strategy for Agricultural Transformation (2016-2025).

II PROJECT DESCRIPTION

2.1. Project Objectives and Components

2.1.1. The objective of the Mitigating Impact of COVID19 on Household Food Security Project (C19-HFS) is to reduce poverty by ensuring sustained income, food and nutritional security among households in participating Districts. The C19-HFS aims to protect and sustain the gains made by APMEP in food and livelihood security, in the face of threats from COVID19 pandemic. The project has 3 components as indicated in Table 2.1.

Table 2.1: Description of Project Components and Sub-components

No	Component Name	Cost (USD million) and % allocation	Sub-Component Description and Activities
1	Agriculture Production and Productivity	USD 0.95 million (60.2%)	<p><u>Sub-component 1.1: Irrigation Development</u></p> <ul style="list-style-type: none"> • Preparatory and procurement activities. • Plant 356 ha of irrigation land/ schemes. • Procure and distribute 700 assorted small (Hp) irrigation pumps, as per demand, to be defined by the EA. • Procure and distribute 500 vegetable seed packs. <p><u>Sub-component 1.2: Crop Diversification</u></p> <ul style="list-style-type: none"> • Procure and distribute 24,000 improved cassava cuttings. • Procure and distribute 1,500 mushroom spawn materials. • Procure and distribute 50 assorted mechanised implement sets, as per demand. • Procure and distribute 2,000 kg of CSA seed packs. • Procure and distribute 500 by 50kg bags of assorted fertilizers. • Procure and distribute 600kg assorted agrochemical packs. <p><u>Sub-component 1.3: Livestock Development</u></p> <ul style="list-style-type: none"> • Procure and distribute 3,000 poultry. • Procure and distribute 1,000 goats. • Procure and distribute vaccines <p><u>Sub-component 1.4: Aquaculture Development</u></p> <ul style="list-style-type: none"> • Provide existing 170 fish pens, 170 fish cages, and 120 fishponds (<i>Beneficiaries’ contribution</i>). • Procure and distribute 460,000 fish fingerlings. • Procure and distribute 1,000 bags (25kg) of fish feed. <p><u>Sub-component 1.5: Apiculture Development</u></p> <ul style="list-style-type: none"> • Procure and distribute 1,000 beehives, protective and packaging equipment. • Train beekeepers <p>Sub-Component 1.6 Environmental and Social Mitigation compliance activities</p>

No	Component Name	Cost (USD million) and % allocation	Sub-Component Description and Activities
			<ul style="list-style-type: none"> • Ensure procurement and use agro-chemical with low-toxicity to human health and environment • Ensure procurement and distribution and use of fertilizers and agro-chemicals in line with good international industry practices • Train beneficiaries in good agricultural practices • Carry out land and water conservation measures • Ensure proper handling of wastes
2	Value Chain Development and Market Linkages	USD 0.13 million (8.2%)	<p><u>Sub-component 2.1: Agro-processing Capacity Developed</u></p> <ul style="list-style-type: none"> • Provide structures for agro-processing equipment/machinery (<i>Beneficiaries' contribution</i>) • Procure and distribute 25 medium solar powered maize mills (Goods). • Procure and distribute 5 oil expellers. • Procure and distribute 50 honey presses.
3	Institutional Strengthening	USD 0.50. million (31.6%)	<p><u>Sub-component 3.1: Nutrition Security Improved</u></p> <ul style="list-style-type: none"> • Train 400 households in nutrition activities. • Provide 600 infants with child feeding items (24 to 60 months) for 12 months • Procure and distribute 6,000 infant food rations. • Procure and distribute seeds of bio-fortified crops (orange sweet potatoes, orange maize and iron rich beans) <p><u>Sub-component 3.2: COVID19 Management</u></p> <ul style="list-style-type: none"> • Procure and distribute 1,000 PPE materials and sensitise communities. • Procure and distribute 1,000 food rations for COVID19 patients. • Procure and distribute 1,000 COVID19 printed materials. <p><u>Sub-component 3.3: Monitoring and Evaluation System Managed</u></p> <ul style="list-style-type: none"> • Carry out M&E activities including reporting (PY1 and PY2). • Conduct 1 study on impact of COVID19 on Agriculture Sector. • Conduct 1 PCR (PY2). <p><u>Sub-component 3.4: Project Management</u></p> <ul style="list-style-type: none"> • Support PIU operations and maintenance. • Carry out Financial and Procurement Audit (combined). • Undertake E&S annual audit
Total		USD 1.58 million	

2.2. Technical Solutions Retained and Other Alternatives Explored

This is a short-term emergency project to protect livelihoods from the shocks induced by COVID19 pandemic in the project areas. The technical solutions which were retained have been included in the Project design whilst other alternatives which were explored is indicated in Table 2.2.

Table 2.2: Other Alternative Considered and Reasons for Rejection

No	Alternative Name	Brief Description	Reasons for Rejection
1.	Focus on long term infrastructure and institutional development to improve crop productivity and value chain development	The resources available would be focused on investments that improve agriculture infrastructure such as irrigation, markets and access roads	Even though this would be a more sustainable alternative, the short-term impact of COVID19 would require more short-term mitigation measures to stem food insecurity and malnutrition of affected and vulnerable populations.

2.3. Project Type

C19-HFS is a stand-alone emergency project with the aim of supporting development of short-term mitigation measures on the impacts of COVID19 on vulnerable groups and to protect the gains made on long term investments by APMEP in irrigation, aquaculture and other agricultural infrastructure.

2.4. Project Cost and Financing Arrangements

2.4.1 The Project cost, including physical and price contingencies, is USD 1.58 (UA 1.10) million which will be financed by (i) GAFSP Grant of USD 1.40 (UA 0.97) million (88.5%) covering all major Project activities, (ii) Government contribution of about USD 0.16 (UA 0.11) million (10.1%) through salaries for existing Government staff, and (iii) Beneficiaries contribution of about USD 0.02 (UA 0.015) million (1.4%) through provision of community level structures and associated maintenance. The GAFSP Grant of USD 1.40 million is additional financing to the on-going GAFSP Grant-funded Zambia APMEP, which is aimed at alleviating the negative impact of COVID-19 pandemic. Summary of Project costs by components, sources of financing, categories of expenditure and expenditure schedule by component are presented in Tables 2.3 to 2.6, while the detailed cost tables are in the Appendix.

2.4.2 Justification for Local Cost Financing: The GAFSP Grant will finance about 100% of the foreign costs and 80% of the local costs. The local cost is high because the Project is oriented towards agricultural production and procurement of agricultural inputs, food stuffs and PPEs that are locally available. Currently, due to other commitments, the Government does not have the capacity to finance the entire local cost of C19-HFS, thus their contribution of only 20%. Consequently, most Goods, Services and critical Operating Costs will be financed by GAFSP Grant in order not to delay the Project implementation.

Table 2.3: Summary of Project Cost Estimates by Components (USD '000 and UA '000)

Component Name	Cost (USD '000)			Cost (UA '000)			Foreign Cost (%)
	Local	Foreign	Total	Local	Foreign	Total	
1. Agriculture Production and Productivity	378.43	525.60	904.03	262.75	364.93	627.68	58
2. Value Chain Development and Market Linkages	57.43	65.00	122.43	39.87	45.13	85.00	53
3. Institutional Strengthening	395.76	70.00	465.76	274.78	48.60	323.38	15
Total Baseline Costs	831.62	660.60	1,492.22	577.40	458.66	1,036.06	44
Physical Contingencies	22.59	20.53	43.12	15.68	14.26	29.94	48
Price Contingencies	39.91	7.12	47.03	27.71	4.94	32.65	15
Total Project Costs	894.12	688.25	1,582.37	620.79	477.86	1,098.65	43

Table 2.4: Sources of Financing, Amount (USD and UA '000) and %age Contribution (%)

Source of Financing	Total Amount (USD '000 and UA '000) and Percentage Contribution (%)						
	Foreign	%	Local	%	Total (USD '000)	Total (UA '000)	%
GAFSP Grant	688.25	100	711.75	79.6	1,400.00	972.04	88.5
Government	0	0	160.25	17.9	160.25	111.26	10.1
Beneficiaries	0	0	22.12	2.5	22.12	15.35	1.4
Total	688.25	100.0	894.12	100.0	1,582.37	1,098.65	100.0

Table 2.5a: Project Cost by Categories of Expenditure (USD '000)

Expenditure Category	(USD '000)			Foreign Cost (%)
	Foreign	Local	Total	
A. Investment Costs				
1. WORKS	35.60	12.95	48.55	73
2. GOODS				
Equipment	555.00	365.45	920.45	60
Subtotal	555.00	365.45	920.45	60
3. SERVICES				
Training	0	31.60	31.60	0
Consultancy	40.00	4.00	44.00	91
Audit	30.00	0	30.00	100
Subtotal	70.00	35.60	105.60	66
Total Investment Costs	660.60	414.00	1,074.60	61
B. Recurrent Costs				
1. OPERATING COSTS				
Personnel	0	150.00	150.00	0
Subsistence and Meal Allowances	0	89.60	89.60	0
General Operating Costs	0	178.20	178.20	0
Subtotal	0	417.80	417.80	0
Total Recurrent Costs	0	417.62	417.62	0
Total Baseline Costs	660.60	831.62	1,492.22	44
Physical Contingencies	20.53	22.59	43.12	48
Price Contingencies	7.12	39.91	47.03	15
Total Project Costs	688.25	894.12	1,582.37	43

Table 2.5b: Grant - Categories of Expenditure
(Summary for Financing Agreement and Disbursement Letter)

Category of Expenditure		Amount (USD '000)		
		Foreign Cost	Local Cost	Total Cost
A	Goods	577.37	392.42	969.79
B	Works	37.75	0	37.75
C	Services	73.13	38.38	111.51
D	Operating Costs	0	280.95	280.95
Total Project Cost		688.25	711.75	1,400.00

Table 2.6: Expenditure Schedule by Components (USD '000)

Component Description	Amount (USD '000)		
	PY1	PY2	Total
1. Agriculture Production and Productivity	756.78	147.25	904.03
2. Value Chain Development and Market Linkages	97.39	25.04	122.43
3. Institutional Strengthening	270.38	195.38	465.76
Total Baseline Costs	1,124.55	367.67	1,492.22
Physical Contingencies	33.19	9.93	43.12
Price Contingencies	18.95	28.08	47.03
Total Project Costs	1,176.69	405.68	1,582.37

2.5. Project Target Area and Population

2.5.1. Project Areas: The Project will be implemented in 6 APMEP Districts, namely, Sinazongwe, Gwembe, Chongwe, Rufunsa, Serenje and Chitambo with a total area of 40,759 km² (4,075,900 ha). According to 2010 census, the 6 Districts have total population of 503,291 people (49% male and 51% female) who are predominantly farmers and small scale commodity processors. The main criteria for the selection of these Districts include (i) poverty, food insecurity and malnutrition prevalence, (ii) vulnerability to climate change, (iii) potential for economic growth, and (iv) potential to promote diversification to non-maize crops, and (vi) COVID19 vulnerability, refer to Appendix 4c.

2.5.2. Project Beneficiaries: The estimated total number of direct beneficiaries is 5,000 people including 3,750 (75%) women. It should be noted that the Project components support each other and some women participants will benefit from more than one intervention. In addition, about 5,000 people will indirectly benefit from the Project along the commodity value chain development. About 1,500 (30%) rural youths, who presently lack employment opportunities, will be targeted by the Project through income generating activities such as production and processing of primary farm products. The Project is expected to create at least 45 full-time skilled/semi-skilled and 200 part-time unskilled jobs in production, processing and marketing which will benefit both men and women, including youth.

2.6. Participatory Process for Project Identification, Design and Implementation

The Project was identified by Government based on the need to identify and reduce vulnerabilities to COVID19 on gains made by the APMEP project on food security. The C19-HFS proposal was developed and submitted in August 2020 after stakeholder consultations. Project preparation was done in August 2020 where design and definition of key components, activities, implementation and sustainability arrangements were agreed. It was submitted to the Bank and reviewed before being submitted to the GAFSP Technical Advisory Committee that approved it on 24 September 2020. The Bank (Supervising Entity) fielded a virtual Appraisal Mission to support the GoZ in drafting the Project Appraisal Report (PAR) in January 2021 for AfDB Board consideration. The Bank peer reviewed the PAR internally during the formulation process. The C19-HFS design was superimposed on the APMEP that was originally prepared based on the Zambia GAFSP Proposal (2013) and the comments of the GAFSP Technical Advisory Committee. Project implementation will be carried out, in a participatory manner, through the GoZ existing structures and the APMEP PIU. The beneficiaries (men and women) will be fully involved in implementation and supervision of planned activities.

2.7. Bank Group Experience and Lessons Reflected in Project Design

2.7.1 The Bank has implemented similar emergency interventions before in Zambia. The 2020 Country Portfolio Performance Review (Zambia-CPPR) rated the overall portfolio performance as satisfactory, with implementation objectives and development outcomes of 2.19 and 2.52, respectively. The number of projects at risk reduced from 17% in 2010 to 8% in 2017 and to 0% in 2020. The overall supervision rating is NON-PP/NON-PPP. The CPIA rating is 3.80 for 2012 (4th Quintile). For closed Projects, there is no PCR backlog. Some of the lessons learnt were the need to involve beneficiaries in project design and implementation, need to train PIUs and project staff in procurement, financial management and E&S monitoring. The portfolio implementation experience and lessons learned were mainstreamed in the design of this project. **Appendix 2** presents the Bank's active portfolio, in Zambia, which has prompted the continued support to the agriculture sector.

2.7.2 The Bank has gained experience during design and implementation of projects in Zambia, namely, SIP, ASIP, PRODAP, and LISP as well as other similar GAFSP-funded projects in Malawi, Niger, Liberia, Senegal and the Gambia. The Bank has also developed and implemented emergency mitigation projects arising from flooding, drought, pests and diseases as well as COVID19. The lessons learnt and actions taken during C19-HFS design are tabulated below:

No	Lessons Learnt	Actions incorporated in the Project design
1.	Role played by ASIP implementation unit in expediting project execution after a delay in start-up when implementation was entrusted to MoA	The Project will be implemented through the APMEP PIU that has 5 full time local experts (Project Coordinator, Procurement Specialist, M&E specialist, Irrigation Engineer and Project Accountant).
2.	Lack of drawings at project start-up resulted in delay in implementation.	No works are anticipated under the project
3.	Weak M&E system results in poor assessment of implementation progress	An APMEP M&E and reporting system is in place

2.8. Project Performance Indicators

The Logframe's output, outcome and impact indicators will be measured in 2021 and 2022 and 2023 respectively. The said indicators will be monitored using the existing APMEP M&E system, as per sub-section 4.2. The impact indicators include average household income (USD/year), average underweight in under-5 children (%). The outcome indicators include crop yield (mt/ha), livestock off-take per year (no) and agricultural value addition (% and ZMW). Major output indicators include developed area under irrigation, aquaculture (fish) production, crop diversification, livestock development, agro-processing and value addition (Appendix .

III PROJECT FEASIBILITY

3.1. Economic and Financial Performance

3.1.1. The C19-HFS is small (USD1.4m) and is superimposed on the activities of the larger APMEP (USD31.12m) project. It is assumed that the C19-HFS will safeguard a potential slide in the economic and financial impact of APMEP. The project will maintain the incremental net benefit streams arising from the APMEP investments. The main assumption underlying the economic and financial analysis is an anticipated increase in the productivity of the main crops, livestock, milk and meat production and fish as a result of the modernization of the farming systems, including irrigation, the development of value addition related infrastructure and the improvement of the agricultural, fisheries and livestock service delivery patterns. In this regard, the financial and economic analysis of APMEP remain and apply to C19-HFS.

3.1.2. For the proposed activities, gains in crop diversification and intensification will be safeguarded through TAAT rainfed agriculture and small scale irrigation equipment using improved vegetable seeds. It is estimated that 550 ha will be under cultivation covering maize and vegetables. The farming system is mixed cropping with one cycle per year. Maize is the most common crop covering 70% of the cultivated area and 30% for other crops. It is assumed that 80% of the farmers would adopt the proposed new cropping pattern by the end of the project. About 2,032 ha of irrigation schemes land has been cleared but only 356ha will be planted in 2021. About 1000ha of the cleared land will be planted for rainfed TAAT schemes. The APMEP Project has rehabilitated and stocked over 500 fish-ponds, 170 cages and 280 pens. The provision of fish fingerlings and feed through C19-HFS will help to stock these facilities and maintain fish production. The C19-HFS project will promote improvement of health and productivity of local/village chicken and local goats. This will increase livestock off-take per household.

3.1.3. The production costs, financial and economic analysis assumptions under APMEP are maintained. The FIRR is 20.0% with a NPV of USD 2.8 million at a capital opportunity cost of 12%. The EIRR is 26.0% for a NPV of USD 3.2 million at a capital opportunity cost of 12%. The heavy subsidies of inputs by the Government explain the large difference between the FIRR and the EIRR. The sensitivity analysis was carried out which showed that both EIRR and FIRR are sensitive to change in prices and, to some extent, cost variation. The summary result is tabulated below:

FIRR, NPV (base case)	20.0%, NPV (12%): USD 2.8 million
EIRR, NPV (base case)	26.0%, NPV (12%): USD 3.2 million

NB: detailed calculations are available in Appendix 6 and Technical Annex B.7.

3.1.4. At the farmer level, the Project aims to achieve and maintain an incremental net income of USD 100 from rainfed agriculture and USD 650 under irrigation per growing season. Additional USD 64 per year will accrue to poultry-keeping and USD 545 per year to goat-keeping farmers. In addition, the fish cage/pond developers and fish farmers will generate USD 662 and USD 1,923 per year, respectively. Other benefits will include job creation in commodity value chain activities and during construction of irrigation schemes.

3.2. Environmental and Social impacts

3.2.1. Environment: The project environmental and social category is confirmed as 2 for the following reasons: (i) the parent project, APMEP was classified as Category 2, according to national and the Bank's Environmental and Social Assessment Procedures (ESAP); (ii) Activities under C19-HFS will not involve any civil works and are not expected to generate environmental and social impacts and risks beyond those of the parent project. An environmental and social management framework was prepared by the client, reviewed and cleared by the Bank and disclosed in March 3, 2014. Site specific environmental briefs (equivalent to ESMP) were prepared, disclosed nationally and approved by the Zambia Environmental Management Authority (ZEMA) in 2020 for all irrigation and aquaculture sites. The full ESMPs for all the 9 irrigation schemes under APMEP have been disclosed on the Bank's website on February 18, 2021. Due to COVID-19 restrictions, the Bank was not able to carry out field verification that public consultations were adequately completed by the borrower. However, during virtual implementation support missions, it was noted that stakeholder consultation has been part of the APMEP project implementation. In particular, Chiefs of the concerned areas were extensively consulted as well as farmers' associations. In 2020, ZEMA carried out site inspections and verifications of consultations with interested and affected parties. The main risks and impacts are: (i) risks of pollutions from the use of fertilizers and agro-chemicals; (ii) disturbance of soil and vegetation; (iii) waste generation from value chain activities; (iv) occupational health and safety related to the distribution and use of various agricultural inputs. These impacts and risks will be mitigated through the implementation of the ESMP as part of the existing schemes: (i) use agro-chemical with low-toxicity to human health and environment (Agro-chemicals falling under extremely, highly or moderate hazardous will not be permitted under this project); (ii) procurement, distribution and use of fertilizers and agro-chemicals in line with good international industry practices; (iii) training of beneficiaries in good agricultural practices; (vi) carrying out land and water conservation measures and proper handling of wastes. The ESMP cost under APMEP was UA 92,300. On top of this, the C19-HSF will make a provision of UA 25,000 to cover the E&S audit and monitoring costs. Following implementation support mission by the Bank, it was recommended that APMEP E&S capacity be strengthened in line with agreed timeline. Once this recommendation is fully implemented, there will no capacity issue with C19-HSF given that the implementing unit for the C19-HSF and APMEP are the same.

3.2.2. Climate Change and Green Growth: The proposed C19HFS is expected to improve APMEP activities being implemented in Sinazongwe, Gwembe, Chongwe, Rufunsa, Serenje, and Chitambo Districts. The existing exposure of these districts to climate and disasters risk likelihoods varied from one another. This is illustrated in Table 3 (Appendix8). Indeed, from the historical climate record [1971-2000], observed extremes events in Zambia include heavy rain (annual intensity is 28 mm/day); dry spells (mean 26 days); heat waves (8 days), cold spells (11 days) (GERICS⁵,2016). Overall, during that period the average annual maximum temperature varied between 29.9 and 31.9°C in the southern provinces while in the central provinces, it ranges between 28 and 29.7°C (GRZ⁶,2020). Meanwhile, average annual precipitation varied between 420mm and 766 mm in the southern part and from 675 mm to 904 mm in the central provinces (GRZ⁷,2020). As consequence, occurrence of erratic rainfall and prolonged dry spells in the central and southern part of Zambia in 2019/2020 has shortened food production and increased food commodities price (e.g maize grain price grew by 60%, maize meal price grew by 20-40% compared to season 2018/2019; local rice, groundnuts and dry beans price also grew) (IPC,2020). It has caused an acute food insecurity crisis in the district of Sinazongwe; Chongwe; Rufunsa; Serenie, and Chitambo while the district of Gwembe was at food emergency level (IPC⁸,2020).

Moreover from October 2020 to March 2021, all the highlighted central and southern districts are classified as acute food insecurity crisis districts. Despite the slight improvement in the regional rainfall causing floods in the southern provinces, the COVID-19 crisis associated with the locust swarm movement would likely affect the country's food supply and demand-driven factors. For instance, central and southern districts like most of the country are recording a decline in labor and wage opportunities, poor households are the most impacted, while maize prices have yield five-year average prices as food prices grew (IPC,2021; FEWS,2021). However, future trends have indicated an average of 0.34° C per decade increase of temperatures, an average decrease of 1.9 mm per month in rainfall is expected and would caused waterlogged fields; water shortages; destruction of crops; higher incidences of crops (maize, beans, cotton, millet and groundnuts) and livestock disease (GRZ⁹,2020).

In a related development, the proposed project through 1) improving agricultural production and productivity; 2) enhancing crop diversification, and 3) building institutional capacities will contribute to enhance the central and southern region's resilience toward climate and COVID-19 induced shocks. However, follow the Bank Climate Screen Systems (CSS), the project is classified as a category2 project and would request a thorough design and adoption of innovative cropping technologies by integrating climate change and disaster risks as appropriate. Innovative technologies may include for instance i) Underground Taming of Floods for Irrigation (UTFI); ii) solar-powered irrigation schemes; iii) water reuse for irrigation or integrated water resource management options, iii) sustainable land management practices such as land restoration and mixed crop-livestock practices; iv) cropping technologies such as adoption of drought resistance seeds and organic fertilizers;

On the other hand, the project in the first year (2021), by targeting a total land use of 500 ha to grow maize and cassava; development of livestock farming mainly poultry (20.000) and goat (2000) will likely generate at net Green House Gas (GHG) emission of 2494 tonnes of CO₂ equivalents. While expanding cropping and livestock farming activities to cover the total 2032ha available land will likely generate by 2023 at net GHG emission of 10306 tons of CO₂ equivalent (See AnnexB9). Measure to mitigate GHG emission would include the adoption of solar-powered water irrigation systems; no-tillage as well as the use of organic fertilizers. Doing so, the project

⁵ German Climate Services Centre

⁶ Zambia Third national communication to UNFCCC

⁷ Zambia Third national communication to UNFCCC

⁸ Integrated Food Security Phase Classification (IPC)

⁹ Zambia Third National Communication to UNFCCC

is aligned with the country NDC; the National Climate Smart Agriculture Strategy and Investment Plan (CSAIP); and the Bank Climate Change Actions Plan with 68.4% of the total budgets contributing as climate finance.

Gender: Zambian women comprise 51% of the population and about 33% of rural households are female headed. Women play a vital role in ensuring household food and nutrition security but their autonomy as food producers is usually very limited by significant obstacles they face in owning and accessing land, financial services, extension services and markets plus cultural and social barrier. In general, the decision to grow most crops is taken by both husband and wife, women tend to make more decisions on food crops whilst men predominate in decision making on cash crops. A preliminary gender analysis indicates that women in the project areas are already active in small-scale production and sale of goat, poultry and fish, together with their husbands (family production units) or directly members of women's clubs, associations and cooperatives. Supporting increased production of goats, poultry and fish has the potential to provide decent employment for women and improve nutrition needs especially for young children.

3.2.3. Consequently, C19-HFS will maintain and consolidate the APMEP focus on recognising the role of women in food and nutrition security, decision making, and participation in development activities. The C19-HFS incorporated into the design (i) Gender disaggregated targets in the Logframe; (ii) promoting labour saving technologies and mechanisation and irrigation pumps, to reduce workload for women; (iii) including procurement of community-level commodity value addition equipment, and (iv) incorporating women and youth empowerment activities such as IGAs.

3.2.4. The Project will employ a gender sensitive approach in order to maximise the productivity of women at household and community levels. The Project will support, at least 75%, involvement of women in management of agriculture, irrigation and fisheries infrastructure and, at least 80% in small ruminants and poultry sub-projects. Special attention has been given to women through deliberate engagement in economic empowerment activities. Such gender sensitive economic activities in agriculture include formation of women groups that will carry out livestock (small-stock like goats/sheep), local/village chicken breeding and management activities, community-level value addition, and crop processing and preservation technologies. In addition, for the women and youth groups, the Project will (i) promote village/local chickens, (ii) procure community level processing (value addition) equipment for honey, soya bean and cassava, and (iii) provide training in issues of gender and food security and empowerment with focus on the right to foods, safety nets, access to production inputs such as fertilizer, seeds, and agrochemicals. Given the significant role that women play in household food security, the three outcomes of the project will contribute to the empowerment of women as household food producers. Women will be majority target beneficiaries especially for the small ruminants, poultry production, and fish marketing. It is categorized as GEN II on the Gender Marker System.

3.2.5. Youth: Youth unemployment remains high at 15.3%, but the figure for the youth who are neither in education nor employment or training (NEET) is much higher at 25%. According to the 2019 Global Competitiveness Report, the unemployment rate had slightly declined to 7.2%. However, unemployment figures are expected to rise significantly due to the impact of the COVID-19 pandemic on the country's economy. Low quality jobs remain a strong hindrance to the country's productive transformation. Nearly six in ten (56.3 per cent) youth remained in vulnerable employment as own-account workers (24.0 percent) or unpaid family worker (32.3 per cent). At the same time, more than two in three (67.5 per cent) youth in paid employment were engaged without a written contract. In Zambia majority of youth work in the service and agricultural sectors, in 2014, 51.8 per cent worked in services and 33.8 per cent in agriculture. Youth who are affected by rural poverty in Zambia and will be engaged in the value chain development and IGAs.

3.2.6. **Nutrition Security:** Malnutrition remains high in Zambia with stunting (low height for age, reflecting chronic hunger), at 45% in under-5 children beyond the acceptable cut off point of 20%. About 21% of children below 5 years are considered to be severely stunted, while 14.6% are underweight. Micronutrient deficiencies are also on the increase, as the country still record high percentages of under-5 children. Zambia still records 54% children under the age of 5 with vitamin A, iron and iodine deficiencies. This nutrition scenario is likely to be worsened by COVID19. The Project will respond to these malnutrition situations through (a) food based approach and (b) nutrition education. It will also focus on the role of women in achieving food security, nutrition well-being and household economic empowerment, as agriculture is positioning itself to produce with a nutrition lens which will contribute to the reduction of stunting from 45% to 40% by 2019 among under-5 children in the participating 6 Districts. Children and infants shall also be important beneficiaries with 6000 targeted to benefit from the complementary feeding and school feeding activities. Selection will be based on anthropometric results during under-five clinics conducted by Ministry of Health. During implementation, seed inputs and food rations for malnourished children will be distributed. The food based approach will involve (a) production of special crops like orange and yellow fleshed fruits, bio-fortified crops (orange fleshed sweet potatoes, orange maize, iron rich beans) legumes, dark green vegetables, soya beans, cassava, bambara nuts and groundnuts to meet specific nutritional requirements; (b) training women groups in processing, storage and utilisation of produced crops including utilisation of goat milk for infants; and (c) community level commodity value addition including training women groups in appropriate processing technologies, leadership and entrepreneurship. The nutrition education/capacity building will involve (1) promotion of school health and nutrition programmes (school gardens, school livestock units, health and nutrition clubs, hygiene and sanitation) which is a viable way of reaching to an entire household; (2) carrying out infant and young child feeding sessions once a week in target communities to train parents on best feeding practices. These groups will form a class of learners who will rear goats for milk production to use for infant feeding sessions, grow soya beans for infant feeding, home gardens for access to fresh vegetables, raise fish in ponds, raise chickens; (3) carrying out family nutrition education at community level once a week; (4) reproduction of nutrition education materials; (5) nutrition promotion/campaigns on radio/TV; and (6) providing simple irrigation pumps and seeds.

3.2.7. **HIV/AIDS:** According to the 2016 Zambia Demographic and Health Survey (ZDHS)¹⁰, the estimated population is 17 million and the HIV/AIDS prevalence rate was 14.3%. About 16.1% of women and 12.3% of men are HIV-positive. Urban areas are typified by higher HIV prevalence (20%) than rural areas (10%). Stable unions such as marriage and living together/partners do not provide protection from HIV as these groups have HIV prevalence rates (16% and 15%, respectively) that are higher than the national average. The MoA HIV/AIDS strategy focuses on extension and incorporation of HIV/AIDS related information in extension messages. C19-HFS will use MoA's HIV/AIDS extension tools for awareness campaigns. People with underlying problems of HIV/AIDS are deemed more vulnerable to COVID19.

3.2.8. **Social:** The social impact of the C19-HFS and APMEP is expected to be positive since it will provide income and better livelihoods to beneficiaries and assist to diversify agricultural output. Other positive effects will include an improvement in nutritional and food safety status of the people and also supply of mechanised power for crop production. The increased economic activities will compensate for COVID19 trade restrictions and significantly boost local development. Value addition training will improve skills and provide employment to women and youth. The anticipated economic well-being resulting from higher family incomes will generate positive multiplier effects on social stability which will help curb rural exodus by retaining local population especially youth within the participating Districts.

¹⁰ Note that this is the official information based on the Demographic and Health Survey (DHS-2016).

3.2.9. Inclusive Growth: In the context of extensive based and pro-poor growth, the Project will promote inclusive growth with equitable allocation of available resource to component activities which will mainly benefits all levels of the participating communities. This approach will increase involvement of rural male and female farmers into the Zambia growth process thereby contributing to poverty reduction. C19-HFS has deliberately targeted women and youth in order to ensure their access to project resources. The Project will also create jobs for women and youths.

3.2.10. Value Addition: The Project will adopt full commodity value chain approach thus enhancing the linkages from production to marketing, where all critical stakeholders will be involved. The Project will facilitate establishment of medium capacity maize/feed milling plant and also cassava milling plant for flour, starch and chips. The APMEP has constructed a 30mt/day capacity cassava mill. C19-HFS will link smallholder cassava farmers to the mill by providing improved cultivars of cassava cuttings.

3.2.11. Involuntary Resettlement: There are no interventions under C19-HFS that would necessitate relocation of local communities.

IV IMPLEMENTATION

4.1. Implementation Arrangements

4.1.1. The C19-HFS project will be implemented within the current framework of APMEP using MoA institutional structures. A multi-sectoral Project Steering Committee (PSC) will be set-up by GoZ with 8 members who will have oversight responsibility and oversee project compliance with sub-sector National Policies and Strategies. The PSC will comprise: (1) Permanent Secretary (PS) – MoA, Chairperson, (2) PS – Ministry of Fisheries and Livestock, (3) PS – Ministry of Commerce, Trade and Industry (4) Provincial Agricultural Coordinator (PACO) Southern Province, (5) PACO - Lusaka Province, (6) PACO - Central Province, (7) representative from the Zambia National Farmers’ Union and (8) representative from Zambia Environmental Management Authority (ZEMA). C19-HFS will be implemented over a period of 2 years up to 31 December 2022. It will be supervised under the MoA Director of Policy and Planning (Project Manager). However, the day to day management of the Project will be entrusted to the existing GoZ GAFSP Technical Team, lead by the MoA Deputy Director of Policy and Planning (MoA-DDPP), which forms the in-house Project Coordination Unit (PCU)¹¹. The said Team consists of MoA Hq Component Managers who are Subject Matter Specialists (SMS) on (i) livestock, (ii) irrigation, (iii) crops and climate smart agriculture, (iv) monitoring and evaluation, (v) fisheries, (vi) nutrition, (vii) gender, (viii) marketing and agribusiness, and (ix) cooperatives. However, in order to enhance the capacity of the PCU, the current APMEP PIU comprising a Project Coordinator, Procurement Specialist, M&E specialist, Project Engineer and Project Accountant will support the implementation of the C19-HFS on a full-time basis until APMEP comes to a closure on 31st March, 2022. Thereafter, the (PCU) of MoA will take over the full management of the C19-HFS until its closure. An Environmental and Social Safeguards Officer will be recruited to re-inforce the PIU on E&S issues. The PC is the Secretary of PSC. The existing Provincial SMS and District SMS are responsible for implementation and monitoring of field activities as indicated in **Appendix 8**.

4.1.2. Procurement Arrangements: Procurement of goods (including non-consultancy services), works and the acquisition of consulting services, financed by the Bank for the project, will be carried out in accordance with the “*Procurement Policy and Methodology for Bank Group Funded Operations*” (BPM), dated October 2015 and following the provisions stated in the Financing Agreement. The MoA will be responsible for the management of the procurement processes and

¹¹ This is in-line with the Paris Declaration on Aid Effectiveness.

accountability using existing institutional structures established under APMEP. The procurement methods, packages, estimated costs, prior-review requirements, and timeframe as agreed between the GoZ and the Bank have been developed together with details of contracts for goods, works and consultancy services indicating the procurement methods, as provided in the Appraisal Report Volume II - **Technical Annex B.5**. Specifically, Procurement would be carried out as follows:

- **Borrower Procurement System (BPS):** Specific Procurement Methods and Procedures (PMPs) under BPS comprising its Laws and Regulations stipulated in the Public Procurement Act No. 15 of 2011 and the relevant Public Procurement Regulations, using the applicable Standard Solicitation Documents (SSDs) or other Solicitation Documents agreed during project negotiations for various group of transactions and specified thresholds under the project.
- **Bank Procurement Policy and Methodology (BPM):** Bank standard PMPs, using the relevant Bank Standard Solicitation Documents SDDs, for contracts that are above the thresholds indicated in Annex B5, and in case BPM have been found to be the best fit for purpose for a specific transaction or group of transactions.

4.1.3. **Procurement Risks and Capacity Assessment (PRCA):** assessment of procurement risks at the Country, Sector, and Project levels and procurement capacity at the EA, have been undertaken for the project and the findings have informed the decisions on the procurement arrangements being used for specific transactions or groups of similar transactions under the project. The appropriate risk mitigation measures have been included in the project design and procurement PRCA action plan in Annex B5.

4.1.4. Financial Reporting and External Audit: The Project's financial management will be managed within MoA's existing set-up, consistent with the Bank's commitment to use country systems. There are on-going Bank and other donor-funded projects, including APMEP, being implemented under the overall supervision of the MoA Director of Finance. The Financial Management (FM) capacity assessment of MoA concluded the existing capacity would satisfy the Bank's minimum requirements to manage project resources in an efficient, effective and economic manner, if all the agreed actions are appropriately implemented. The overall financial management residual risk for the Project is assessed as "Moderate". The overall financial management responsibility (including accountability over funds disbursed to all implementing partners and the decentralized levels) will rest with the MoA Director of Finance who will provide oversight responsibility to the team of finance and accounting officers to ensure that proper accountability exists over C19-HFS transactions throughout project implementation. The Project will be required to prepare and submit to the Bank a Consolidated Interim Quarterly Progress report (IQPR) (covering all project activities including those being implemented by all other implementing partners) not later than 30 days after the end of each calendar quarter. Annual financial statement prepared and audited by the Office of the Auditor General (OAG), including the auditor's opinion and management letter will be submitted to the Bank not later than six (6) months after the end of each fiscal year. The audit of the Project can be subcontracted as necessary to a private audit firm to be procured through Shortlist (with the involvement of OAG) using the Bank rules and procedures for procurement, and the cost of audit will be financed from the GAFSP Grant if carried out by a private firm.

4.1.5. Disbursement Arrangement: Disbursements under the Project would be in accordance with rules and procedures as set out in the Bank's disbursement handbook. Various disbursement methods including (i) Direct Payment, (ii) Special Account (SA) and (iii) Reimbursement will be available for use by the Project. One separate Special Account in foreign currency and a Kwacha sub-account will be opened at the Bank of Zambia (BoZ) and managed by the MoA. To facilitate payment of eligible project expenditures (including transfer of funds to other implementing partners and the decentralized levels), seven (7) Mirror local Account with zero balance linked to the sub-account at BoZ, will be opened at local Commercial Banks with wider network branches in Lusaka, Sinazongwe, Gwembe, Chongwe, Rufunsa, Serenje and Chitambo Districts and

acceptable to the AfDB. The Bank will issue a Disbursement Letter of which the content will be discussed and agreed between the Bank and GoZ during negotiations. Detailed financial management, disbursement and auditing arrangements are included in the Appraisal Report Volume II (Technical Annex B.4).

4.2. Monitoring

4.2.1. The MoA M&E system, which is managed by the existing MoA M&E Officer, is operational and will be used. The GoZ will utilise this to establish and manage the Project’s M&E system with assistance. The APMEP M&E Officer will regularly track, document and report the C19-HFS results and progress, facilitate knowledge building, and share knowledge with key stakeholders. The Monitoring Plans will be developed based on the Logframe which will have gender disaggregated indicators. The baseline survey conducted under APMEP will apply to compare progress. The Project will provide financial resources to facilitate training, proper data gathering, processing and reporting.

4.2.2. The Project’s final reports/key milestones are indicated in the table below. The Bank will supervise the implementation of the Project through regular Supervision Missions which will be undertaken at least twice a year. The Missions will verify implementation progress to ensure that key verifiable indicators, including gender specific indicators, related to the outputs, outcomes and impacts are being monitored.

Time-Frame	Milestones	Monitoring Process (Feedback Loop)
Year 1	Supervision missions	AfDB
	Financial Audit Reports	PCU, External Audit Firm
Years 2	Supervision mission	AfDB
	Financial Audit Report	PCU, External Audit Firm
	Project Completion Report including gender and nutrition audit	Communities, MoA and PCU.

4.2.3. The M&E activities, including implementation progress and expenditure will be an integral part of the Executing Agency, as a regular management function through the PCU’s M&E Specialist. The PCU will submit to the Bank progress reports, annual work plans and budgets, and annual procurement plans using Bank’s format. The quarterly progress report will be submitted to the Bank within two months after the end of the reporting period, whilst the annual progress report will be submitted within three months after the end of reporting period.

4.3. Governance

4.3.1 Zambia’s performance in good governance has generally been good and above the Africa average. The trends pattern of the overall governance indicator for Zambia for the Mo Ibrahim Index of African Governance (IIAG) remained almost unchanged from 52.8 in 2010 to 52.0 in 2019. Zambia’s rank among 52 African countries deteriorated from 17 to 21 during the same period. The 2018 shows that Zambia scored higher than the African average (49.9) and lower than the regional average for Southern Africa (57.1). However, performance in some of the sub-categories monitored has been mixed: ‘*Participation & Human Rights*’, Zambia was ranked 19 out of 54, scoring 56.7 in 2018, down from 57.5 the previous year. ‘*Safety and Rule of Law*’ Zambia ranked 12 out of 54 and shows overall decline from 64.9 in 2017 to 63.4 in 2018. Human development, Zambia ranked 21 out of 54 and scored 61.9 in 2018 up from 54.5, while ‘*Sustainable Economic Opportunity*’, ranked 23 out of 54 Zambia’s overall score improved from 48 in 2017 to 50.2 in 2018.

4.3.2 The Ministry of Agriculture shall ensure good governance of the sector by promoting efficient policies, strategies and incentives that promote private sector operations. At Project level, the Project Steering Committee shall ensure good governance and implementation of the annual workplan and budget and procurement approaches. A technical committee comprising subject matter specialists shall advise on good agriculture practices. Communities and farmer groups shall be fully involved in planning and targeting project outputs among beneficiaries.

4.4. Sustainability

The participatory approach adopted during the Project planning will be extended during implementation in order to enhance ownership by beneficiaries thus ensuring sustainability. The Project’s participatory approach will have clear exit strategy which will be developed. The management of some infrastructure will be entrusted to farmer organizations and private sector operators to ensure continuity of operations after the Project. The development of value chain operations through Public Private Partnerships (PPPs) and focus on market oriented systems has proven effective in ensuring sustainability of public investments. An assessment of identified potential environmental impacts has indicated that negative impacts will be localized during implementation of the Project and would be minimized through mitigation measures.

4.5 Risk Management

The potential risks identified as threat to smooth implementation of C19-HFS and mitigation measures are indicated in Table 4.1.

Table 4.1: Potential Risks and Mitigation Measures

RISK CATEGORY	RISK DESCRIPTION	RATING	MITIGATION MEASURE
Country’s political and governance context	Political instability in an election year (2021)	Moderate	Explain project benefits to stakeholders
Macroeconomic	Reduced budgetary support to agriculture	Substantial	Reduce expected government contribution
Sector strategies and policies	Market interference and export bans	Moderate	There are few exports expected from the project area. Improve market linkages with outgrower companies
	Incompetent suppliers	Moderate	Use stringent evaluation methods and suppliers will be scrutinised through contacting the previous employers and physical verifications
Environmental and social	Favorable climatic conditions	Moderate	Promote irrigation and CSA
	Weak community cooperation	Low	Sensitise communities on benefits of project
	Negative community perception and attitude towards COVID19	Low	Sensitise communities on dangers of COVID19
	Risk of selection biased targeting and selection of undeserving beneficiaries	Moderate	Use well established targeting and beneficiary selection methods by DMMU’s decentralised structures at district and community levels

4.6 Knowledge Building

It is expected that the C19-HFS will generate a lot of knowledge that will be valuable for application to the design and management of similar Bank projects in future. C19-HFS innovations in institutional management, community participation, private sector involvement, value chain linkages and use livestock pass-on schemes will provide useful lessons for the sustainability of interventions. The management of community infrastructure by rural people, in

Zambia, has not been carefully analysed before and the Project will demonstrate that rural communities can ably manage rural infrastructure, given support and mentorship. C19-HFS will enhance the capacity of farmers and staff to remain fully involved in all planned activities. The direct beneficiaries will be targeted for special Project-related training. Beneficiaries and staff will attend progress review meetings.

V LEGAL INSTRUMENTS AND AUTHORITY

5.1. Legal Instruments

5.1.1 The C19-HFS makes use of GAFSP Grant which will be administered by the Bank. The legal instrument for financing the Project will be a Letter of Agreement between the Republic of Zambia (as Recipient) and the Bank in its capacity as Supervising Entity of the Global Agriculture and Food Security Program (GAFSP) Trust Fund administered by the International Bank for Reconstruction and Development (IBRD) as Trustee.

5.2. Conditions Associated with Bank's Intervention

5.2.1 Condition Precedent to Entry into Force: The Letter of Agreement shall enter into force on the date of its signature by the Recipient and the Bank.

5.2.2 Condition Precedent to First Disbursement: The obligation of the Bank to make the first disbursement of the Grant shall be conditional upon entry into force of the Letter of Agreement.

5.2.3 Undertakings: The Recipient shall:

- a) for disbursement through Special Account, shall submit to the Bank a withdrawal request with a Special Account denominated in USD, and a corresponding local currency operating account, both opened at Bank of Zambia, in the name of the Project, for deposit of the proceeds of the Grant.
- b) ensure that all goods, works and services financed out of the proceeds of the Grant are used exclusively for the purposes of the Project, and
- c) provide promptly as needed, funds (other than proceeds of the Grant), facilities, services and other resources required as counterpart contribution for implementation of the Project, and/or necessary or appropriate to ensure that the goals of the Project and the purpose of the Grant are accomplished.

5.3. Compliance with Bank Policies

This project complies with all applicable Bank policies.

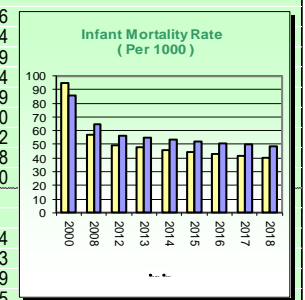
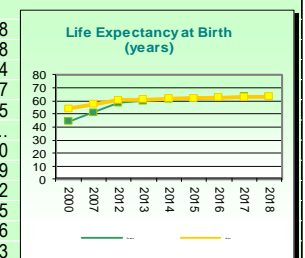
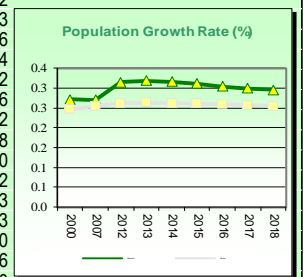
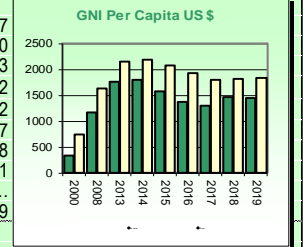
VI RECOMMENDATION

Management recommends that the Board of Directors approve the proposed GAFSP Trust Fund Grant of One Million Four Hundred Thousand United States Dollars (USD 1,400,000) to the Republic of Zambia for the purpose of implementing the Mitigating the Impact of COVID19 on Household Food Security (C19-HFS) Project, under the terms and conditions stipulated in this report.

Zambia

COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Zambia	Southern Africa	Africa	Developing Countries
Basic Indicators					
Area ('000 Km ²)	2019	743	6,571	30,067	94,797
Total Population (millions)	2019	17.9	208.4	1,306.3	6,384.0
Urban Population (% of Total)	2019	44.8	49.5	43.3	50.3
Population Density (per Km ²)	2019	24.0	32.1	44.5	69.2
GNI per Capita (US \$)	2019	1 450	2 814	1 843	5 102
Labor Force Participation *- Total (%)	2019	74.6	71.1	63.2	60.7
Labor Force Participation **- Female (%)	2019	70.4	67.2	54.6	45.8
Sex Ratio (per 100 female)	2019	98.1	96.7	99.8	107.1
Human Develop. Index (Rank among 189 countries)	2018	143	...	...	...
Popul. Living Below \$ 1.90 a Day (% of Population)	2007-18	57.5	45.3	35.6	11.9
Demographic Indicators					
Population Growth Rate - Total (%)	2019	2.9	2.3	2.7	1.2
Population Growth Rate - Urban (%)	2019	4.3	3.3	3.6	2.3
Population < 15 years (%)	2019	44.5	39.1	40.6	27.6
Population 15-24 years (%)	2019	20.9	19.3	19.3	16.4
Population >= 65 years (%)	2019	2.1	3.5	3.5	7.2
Dependency Ratio (%)	2019	87.2	74.4	78.7	54.6
Female Population 15-49 years (% of total population)	2019	24.4	25.1	24.2	25.2
Life Expectancy at Birth - Total (years)	2019	63.9	63.4	63.5	70.8
Life Expectancy at Birth - Female (years)	2019	66.9	66.2	65.3	73.0
Crude Birth Rate (per 1,000)	2019	35.8	30.7	33.0	20.2
Crude Death Rate (per 1,000)	2019	6.3	7.9	8.0	7.3
Infant Mortality Rate (per 1,000)	2018	40.4	41.4	48.7	31.3
Child Mortality Rate (per 1,000)	2018	57.8	56.8	70.2	42.0
Total Fertility Rate (per woman)	2019	4.6	3.8	4.4	2.6
Maternal Mortality Rate (per 100,000)	2017	213.0	245.8	432.3	230.0
Women Using Contraception (%)	2019	54.7	49.9	39.1	61.7
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2010-18	118.7	48.0	33.4	121.8
Nurses and midwives (per 100,000 people)	2010-18	133.8	102.1	107.8	240.8
Births attended by Trained Health Personnel (%)	2010-18	80.4	69.9	62.9	79.4
Peop. Using at least basic drinking water services (% of Pop.)	2017	60.0	69.5	66.3	87.7
Peop. Using at least basic sanitation services (% of Population)	2017	26.4	44.6	40.3	68.5
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2018	11.3	12.2	3.4	...
Incidence of Tuberculosis (per 100,000)	2018	346.0	389.2	202.3	154.0
Child Immunization Against Tuberculosis (%)	2018	91.0	84.4	81.4	84.9
Child Immunization Against Measles (%)	2018	94.0	73.6	76.1	85.2
Underweight Children (% of children under 5 years)	2010-17	14.8	11.7	17.5	14.5
Prevalence of stunting	2010-17	40.0	35.1	34.0	23.6
Prevalence of undernourishment (% of pop.)	2017	46.7	25.3	18.5	12.3
Current health expenditure (% of GDP)	2017	4.5	6.6	5.6	5.4
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2010-19	98.7	115.7	100.1	103.6
Primary School - Female	2010-19	99.9	113.5	98.1	102.4
Secondary School - Total	2010-19	...	62.5	52.4	71.9
Secondary School - Female	2010-19	...	61.5	50.3	71.4
Primary School Female Teaching Staff (% of Total)	2010-18	50.5	59.4	48.6	62.9
Adult literacy Rate - Total (%)	2010-18	86.7	77.5	66.9	84.0
Adult literacy Rate - Male (%)	2010-18	90.6	82.7	70.8	88.2
Adult literacy Rate - Female (%)	2010-18	83.1	73.2	60.0	79.8
Government expenditure on Education (% of GDP)	2010-18	4.7	5.3	4.7	4.0
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2016	5.1	6.1	8.0	11.4
Agricultural Land (as % of land area)	2016	32.1	55.7	38.2	38.3
Forest (As % of Land Area)	2016	65.2	30.9	13.2	31.9
Per Capita CO2 Emissions (metric tons)	2014	0.3	3.1	1.2	3.5



Sources : AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update :

October 2020

UNAIDS; UNSD; WHO, UNICEF, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available. * Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

Appendix 2: AfDB's Active Portfolio in Zambia (October 2020)

No	Operations	Source of Funding	Nature	Sector	Approval date	Age (since approval)	Effect. Date	Actual First disbursement date.	Completion date	Loan Amount (UA million)	Disbursement % rate_31 December 2020
1	Botswana/Zambia-Kazungula Bridge Project	ADF	SO	Transport	12/7/2011	9.1	11/16/2012	2/25/2014	12/30/2020	51,000,000.00	57.11
2	Multinational - Nacala Road Corridor Development Project PHA	ADF	SO	Transport	12/3/2013	7.1	7/27/2015	1/27/2016	12/30/2020	5,000,000.00	80.29
3	Kariba Dam Rehabilitation	ADF	SO	Power	12/15/2014	6.0	11/16/2015	10/23/2018	6/30/2026	25,200,000.00	13.6
4	GAFSP-Agriculture Productivity and Market Enhancement Project	GAFSP Trust Fund	SO	Agriculture	3/26/2014	6.8	10/20/2014	11/12/2014	6/30/2020	21,533,798.79	87.0
5	Lake Tanganyika Development Project	ADB	SO	Agriculture	12/18/2014	6.0	11/5/2015	1/20/2016	6/30/2021	15,560,107.12	71.03
6	Lake Tanganyika Development Project	GEF	SO	Agriculture	12/18/2014	6.0	2/1/2017	4/12/2017	6/29/2021	4,843,720.81	62.82
7	Cashew Infrastructure Development Project (CIDP)	ADB	SO	Agriculture	11/4/2015	5.2	8/4/2016	8/25/2016	6/30/2022	31,138,205.19	80.35
8	Livestock Infrastructure Support Project (LISP)	ADF	NSO	Agriculture	6/19/2013	7.5	3/25/2014	7/23/2014	12/31/2019	12,000,000.00	96.85
9	Sustainable Livestock Infrastructure Management Project (SLIMP)	ADF	SO	Agriculture	13/09/2019	1.1				7,500,000.00	0
10	Aquaculture Enterprise Dev. Project	ADB		Agriculture	11/18/2016	4.1	5/23/2017	6/7/2017	12/31/2022	31,411,854.66	53.7
11	GEF Climate Resilient Livestock Management Project	GEF	SO	Agriculture	9/21/2017	3.3	11/28/2017	6/1/2018	6/30/2021	4,297,072.32	68.2
12	Strengthening Climate Resilience In The Kafue Basin	SCF	SO	Environment	10/18/2013	7.2	7/21/2014	5/27/2016	6/29/2021	12,109,302.02	86.4
13	Strengthening Climate Resilience In The Kafue Basin	SCF	SO	Environment	10/18/2013	7.2	7/21/2014	10/6/2014	6/29/2021	14,185,182.37	84.9
14	Chinsali - Nakonde Road Rehabilitation Project (North-South)	ADB	SO	Transport	7/10/2015	5.5	7/19/2016	8/16/2016	6/30/2023	133,548,302.28	27.2
15	Chinsali - Nakonde Road Rehabilitation Project (North-South)	AGTF	SO	Transport	7/10/2015	5.5	10/4/2016	12/20/2018	12/31/2020	34,598,005.77	8.9
16	Lusaka Sanitation Program	ADB	SO	Water Sup/Sanit	6/24/2015	5.5	7/7/2016	9/12/2016	12/31/2020	34,598,005.77	45.5
17	Integrated Small Towns Water and Sanitation Project	ADB	SO	Water Sup/Sanit	11/18/2016	4.1	8/22/2017	6/7/2018	12/31/2022	75,363,452.05	24.8
18	Integrated Small Towns Water and Sanitation Project	ADF	SO	Water Sup/Sanit	11/18/2016	4.1	8/22/2017	1/9/2018	12/31/2022	7,070,000.00	50.9
19	Integrated Small Towns Water and Sanitation Project	AGTF	SO	Water Sup/Sanit	11/18/2016	4.1	8/22/2017	6/15/2018	12/31/2022	10,379,401.73	26.4
20	Integrated Small Towns Water and Sanitation Project	MIC TAF		Water Sup/Sanit	11/18/2016	4.1	4/27/2017	1/9/2018	12/31/2022	1,200,000.00	45.5
21	Transforming Rural Livelihoods In Western Zambia - National	ADB	SO	Water Sup/Sanit	9/10/2014	6.3	10/27/2015	12/28/2015	12/30/2021	10,725,381.79	63.5
22	Transforming Rural Livelihoods In Western Zambia - National	RWSSI	SO	Water Sup/Sanit	9/10/2014	6.3	9/10/2015	12/22/2015	12/30/2021	2,966,780.53	89.8
23	Transforming Rural Livelihoods In Western Zambia - National	OPEC	SO	Water Sup/Sanit	6/29/2015	5.5	6/27/2016		12/30/2021	9,687,441.62	0.00
24	Feasibility Studies and Designs for Integrated and Sustainable Urban Sanitation in Provincial Towns	AWF		Water Sup/Sanit	7/7/2020	0.5	10/27/2020		12/31/2022	876,105.55	0.00
25	Power Transmission Project	ADF	SO	Power	6/13/2012	8.6	2/10/2015	5/22/2015	12/31/2020	30,000,000.00	84.9

No	Operations	Source of Funding	Nature	Sector	Approval date	Age (since approval)	Effect. Date	Actual First disbursement date.	Completion date	Loan Amount (UA million)	Disbursement % rate_31 December 2020
26	Power Transmission Project	NTF	SO	Power	6/13/2012	8.6	6/26/2015	12/8/2015	12/31/2020	6,400,000.00	68.2
27	Itezhi-Tezhi Hydropower Project	ADB	NSO	Power	6/13/2012	8.6	5/11/2015	5/22/2015	4/14/2018	24,218,604.04	100.00
28	Line of Credit to FRB Subsidiary, First National Bank of Zambia	ADB	NSO	Finance	12/12/2012	8.1	6/2/2015	6/10/2015	3/26/2016	30,424,102.35	100.00
29	Zambia National Building Society (ZNBS)	ADB	NSO	Finance	11/8/2017	3.1	6/7/2018	4/4/2019	3/31/2021	9,711,701.21	60.00
30	Support for Science and Technology Education Project (SSTEP)	ADF	SO	Social	11/20/2013	7.1	1/7/2015	1/26/2015	12/30/2021	22,220,000.00	78.8
31	Education for Sustainable Development in Africa (ESDA-NMRM)	ADF	SO	Social	12/14/2016	4.0	5/23/2017	7/19/2017	12/30/2021	1,220,000.00	99.2
32	Skills Development and Entrepreneurship Project -	ADB	SO	Social	10/14/2015	5.2	6/29/2016	8/18/2016	12/30/2021	20,758,803.46	69.9
33	Capacity Enhancement for Public Finance and Economic Management	ADF	SO	Multi-Sector	4/30/2019	1.7			6/30/2023	8,000,000.00	0
	TOTAL									709,745,331.40	49.08%

Appendix 3: Projects (On-going) Financed by the Bank and Other Development Partners
(October 2020)

Donor Agency	Program Title	Project Coverage	Total Budget (USD)	Implementation Organization
AfDB	GAFFSP-Agriculture Productivity and Market Enhancement Project	Six districts in Southern, Lusaka and Central provinces	31.12m	Ministry of Agriculture
	Lake Tanganyika Development Project	Mpulungu, Nsama in Northern province	27.00m	Ministry of Water, Sanitation and Environmental Protection
	Livestock Infrastructure Support Project	Northern and Muchinga Provinces	18.00m	Ministry of Fisheries and Livestock
	Irrigation development and Support project	3 Sites	115.00m	Ministry of Agriculture
	GEF Climate Resilient Livestock Management Project	Northern and Muchinga Provinces	7.00m	Ministry of Fisheries and Livestock
	Aquaculture Enterprise Dev. Project	Southern, Northern, Luapula, Lusaka and North-Western provinces	45.00m	Ministry of Fisheries and Livestock
	Strengthening Climate Resilience In The Kafue Basin	Southern, Central and Lusaka provinces	38.00m	Ministry of National Development Planning
Norway	Conservation Agricultural Program Phase II	AEZ 1&2	28.00m	Conservation Farming Unit (CFU)
	Expanded Food Security Pack	AEZ 2	2.57m	Min of Community Development. Mother and Child Health
	Community Markets for Conservation - COMACO	Eastern Province	8.60m	Wildlife Conservation Society/COMACO
European Union	Agricultural Sector Performance Enhancement Programme	Nationwide	11,66m	Ministry of Agriculture and Livestock
	Support to sustainable commercialisation of Zambia's smallholder farmers	Nationwide	EUR 92m	Self Help Africa, GIZ, UNICEF, FAO and MFL
FAO	Integrated Land Use Assessment II	Nationwide	3.95m	Ministry of Land, Natural Resources & Environmental Protection Forestry Department
	UN-REDD Programme – Zambia Quick Start Initiative	Nationwide	2.18m	Ministry of Land, Natural Resources & Environmental Protection Forestry Department
IFAD	Smallholder Livestock Investment Project (E-SLIP)	North-Western, Western, Southern, Eastern and Northern	46.30m	Ministry of Agriculture and Livestock
	Smallholder Agribusiness Promotion Programme (E-SAPP)	20-30 districts	24.50m	Ministry of Agriculture and Livestock
	Smallholder Productivity Promotion Programme (S3P) (co-financed by Finland)	Luapula and Northern Provinces	39.90m	Ministry of Agriculture and Livestock
World Bank	Livestock Development and Animal health project	Selected provinces	64.75 m	Ministry of Fisheries and Livestock
	Agriculture Development Support Program	National	37.20m	Ministry of Agriculture
JICA	Rural Extension Service Capacity Advancement Project (RESCAP)	Northern, Western and Lusaka provinces	9.00m	Ministry of Agriculture
	Rural and Agriculture Development Advisor	Nationwide	1.30m	Ministry of Agriculture
	Food Crop Diversification Support Project Focusing on Rice (FoDiS-R)	Muchinga, N/P& WP and follow up in EP, SP, WP & Lusaka P	3.10m	Ministry of Agriculture
	Technical Cooperation Project for Community based Smallholder Irrigation (T-COBSI)	Luapula, Northern, Muchinga, Copperbelt and North Western Provinces	5.80m	Ministry of Agriculture and Livestock
USAID	Production, Finance & Technology (PROFIT +)	Eastern Province	24.00m	ACDI/VOCA
	Food Security Research Project (FSRP), Phase III	Nationwide	12.49m	Michigan State University (MSU), Indaba Agricultural Policy Research Institute (IAPRI)
	Expanding Impact in USAID Supported Value Chains	Eastern Province	1.99m	Action for Enterprise (AFE)
	Horticulture Global Development Alliance	Eastern Province and Peri-urban Lusaka	4.80m	ASNAPP, Freshmark, Freshpikt, Stellenbosch University and CETZAM
	Zambia Agriculture Research and Development Project	Eastern province	18.00m	CGIAR: IITA, CIMMYT, ICRISAT, CIP, CIAT, World Fish Center, Harvest Plus,
	Milk for schools	Nationwide	0.63m	Ministry of Agriculture
	Disaster Risk Management	Nationwide	0.78m	DMMU, FAO
DfID	Food Security for vulnerable groups	Nationwide	15.48m	UNHCR,
	Support to Musika - Making Agricultural Markets Work for Zambia	Nationwide	7.14m	Musika
	Access to Finance (includes rural finance)	Nationwide	21.43m	Bank of Zambia and FIs

Appendix 5: Issues Raised by the GAFSP Secretariat

No issues were raised on the C19-HFS proposal.

Appendix 6: Financial and Economic Analysis

1. The economic and financial analysis was based in the incremental net benefit arising from the Project investment. Rather than the situation "before" and "after" the Project, whose comparison fails to account for changes in production that would occur without the Project and thus leads to an erroneous statement of the benefit attributable to the Project investments. The main assumption underlying the economic and financial analysis is an anticipated increase in the productivity of the main crops, milk production and fish captures as a result of the modernization of the farming systems, including irrigation, the development of value added related infrastructure and the improvement of the agricultural service delivery pattern.

2. Other Assumptions: (i) all project's outputs are incremental as they expand supply to meet growing demand; (ii) Project's inputs are mostly non incremental since they are met not by an expansion of overall supply but from existing supplies; (iii) the maize was treated in the analysis, as a traded good since its offers an important export potential; and (iv) post-harvest losses = 30%.

FINANCIAL ANALYSIS						
ITEMS	1	2	3	4	5	6 to 25
Revenu (ZMK)						
Agriculture	-	-	37 783 165	43 939 078	50 094 990	50 094 990
Fisheries			3 962 700	7 925 400	13 209 000	13 209 000
Poultry			1 225 000	1 837 500	2 205 000	2 450 000
Livestock			493 290	616 613	698 828	822 150
Total inflow	-	-	43 464 155	54 318 590	66 207 818	66 576 140
Costs						
Investments	190 939 511	-	-	-		
O&M	1 500 000	5 800 000	7 400 000	8 750 000	14 750 000	14 750 000
Total outflows	192 439 511	5 800 000	7 400 000	8 750 000	14 837 379	14 750 000
Net Flows	- 192 439 511	-5 800 000	37 618 015	46 386 628	51 738 761	51 826 140
FIRR	20%					
NPV	ZMK 15,510,650					
ECONOMIC ANALYSIS						
ITEMS	1	2	3	4	5	6 to 25
Revenu (ZMK)						
Agriculture	-	-	53 443 525	59 956 063	66 468 600	66 468 600
Fisheries			3 962 700	7 925 400	13 209 000	13 209 000
Poultry			1 225 000	1 837 500	2 205 000	2 205 000
Livestock			616 613	770 766	873 534	873 534
Total inflow	-	-	59 247 838	70 489 728	82 756 134	82 756 134
Costs						
Investments	190 939 511	-	-	-		
O&M	1 500 000	5 800 000	7 400 000	8 750 000	14 750 000	14 750 000
Total outflows	192 439 511	5 800 000	918 750	8 750 000	14 750 000	14 750 000
Net Flows	- 192 439 511	-5 800 000	58 329 088	61 739 728	68 006 134	68 006 134
FIRR	26%					
NPV	ZMK 17,493,928					

3. Sensitivity analysis: The sensitivity analysis, in the table below, shows that both EIRR and FIRR are sensitive to change in prices and to some extent, cost variation.




Item	EIRR (26.0%)	FIRR (20.0%)
10% price increase	28%	21%
10% price decrease	24%	17%
10% cost increase	25%	18%
10% cost decrease	27%	22%

Appendix 7: Environmental and Social Compliance Note (ESCON)

A. Basic Information ¹³	
Project Title: GAFSP: Mitigating Impact of COVID19 on Household Food Security (C19-HFS)	Project SAP code: P-ZM-AA0-038
Country: Zambia	Lending Instrument¹⁴: DI <input checked="" type="checkbox"/> FI <input type="checkbox"/> CL <input type="checkbox"/> BS <input type="checkbox"/> GU <input type="checkbox"/> RPA <input type="checkbox"/> EF <input type="checkbox"/> RBF <input type="checkbox"/>
Project Sector: Agriculture	Task Team Leader: Lewis BANGWE
Appraisal date: 07/01/2021	Estimated Approval Date: 26/04/2021
Environmental Safeguards Officer: Modeste L. KINANE	
Social Safeguards Officer:	
Environmental and Social Category: 2	Categorization date: 08/03/2021
Operation type: SO <input checked="" type="checkbox"/> NSO <input type="checkbox"/> PBO <input type="checkbox"/>	
Is this project processed under rapid responses to crises and emergencies?	
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
Is this project processed under a waiver to the Integrated Safeguards System?	
Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

B. Disclosure and Compliance Monitoring	
B.1 Mandatory disclosure	
Environmental Assessment/Audit/System/Others	
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> NA <input type="checkbox"/>
Date of "in-country" disclosure by the borrower/client	14/08/2020
Date of receipt, by the Bank, of the authorization to disclose	16/02/2021
Date of disclosure by the Bank	18/02/2021
Resettlement Action Plan/Framework/Others	
Was/Were the document (s) disclosed <i>prior to appraisal</i> ?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Date of "in-country" disclosure by the borrower/client	NA
Date of receipt, by the Bank, of the authorization to disclose	NA
Date of disclosure by the Bank	NA
Vulnerable Peoples Plan/Framework/Others	
Was the document disclosed <i>prior to appraisal</i> ?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Date of "in-country" disclosure by the borrower/client	NA
Date of receipt, by the Bank, of the authorization to disclose	NA
Date of disclosure by the Bank	NA
If in-country disclosure of any of the above documents is not expected, as per the country's legislation, please explain why: N/A	

B.2. Compliance monitoring indicators	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
Have costs related to environmental and social measures, including for the running of the grievance redress mechanism, been included in the project cost?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
Is the total amount for the full implementation for the Resettlement of affected people, as integrated in the project costs, effectively mobilized and secured?	Yes <input type="checkbox"/> No <input type="checkbox"/> NA <input checked="" type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> NA <input type="checkbox"/>

C. Clearance			
Is the project compliant to the Bank's environmental and social safeguards requirements, and to be submitted to the Board?			
Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>			
Prepared by:	Name	Signature	Date
Environmental Safeguards Officer:	Modeste L. KINANE		22/03/2021
Social Safeguards Officer:			
Task Team Leader:	Lewis BANGWE		22/03/2021
Submitted by:			
Sector Director:	Martin FREGENE		23/03/2021
Cleared by:			
Director SNSC:	Maman-Sani ISSA		26/03/2021

¹³ **Note:** This ESCON shall be appended to project appraisal reports/documents before Senior Management and/or Board approvals.

¹⁴ **DI**=Direct Investment; **FI**=Financial Intermediary; **CL**=Corporate Loan; **BS**=Budget Support; **GU**=Guarantee; **RPA**=Risk Purchase Agreement; **EF**=Equity Financing; **RBF**=Results Based Financing.

Appendix 8: Climate Change and Green Growth

	Mapping of past trend in Climate Change Change and Disasters Risks					
Districts	Wildfire	Urban flooding	Extremes heats	River flooding	Landslide	Water Scarcity
Sinazongwe (Southern)	High	Medium	Medium	Medium	Very low	Low
Gwembe (Southern)	High	Very low	Medium	Low	Very low	Low
Chongwe (Lusaka) (Southern)	High	Very low	Medium	Very low	Low	Very low
Rufunsa (Lusaka)	High	Very low	Medium	Very low	Low	Very low
Serenje (Central)	High	Very low	Medium	High	Very low	Very low
Chitambo (Central)	High	Very low	Medium	High	Very low	Very low

Source: Made by Author base of Global Facility for Disaster Reduction and Recovery (GFDRR) database



Project Steering Committee (PSC) Membership

No	Member
1.	Secretary to Treasury (Ministry of Finance) - Chairperson
2.	Permanent Secretary - Ministry of Agriculture
3.	Permanent Secretary - Southern Province
4.	Permanent Secretary - Lusaka Province
5.	Permanent Secretary - Central Province
6.	Permanent Secretary - Ministry of Works
7.	Representative of Zambia Environmental Management Authority (ZEMA)
8.	MoA Director of Policy and Planning - Secretariat
9.	Project Coordinator - Secretariat

Appendix 10: Official Request from GoZ

COMMUNICATION SHOULD BE ADDRESSED TO:
The Permanent Secretary
Ministry of Agriculture



For reply please quote:

MAL/101/8/34

REPUBLIC OF ZAMBIA MINISTRY OF AGRICULTURE

OFFICE OF THE PERMANENT SECRETARY
MULUNGUSHI HOUSE, INDEPENDENCE AVENUE
P. O. BOX 50197
15100 RIDGEWAY
LUSAKA - ZAMBIA

18th June 2020

The Country Manager
African Development Bank
Zambia Country Office
Atlasmara House
LUSAKA

RE: MINISTRY OF AGRICULTURE – REQUEST FOR ADDITIONAL RESOURCES FROM GAFSP TOWARDS THE ZAMBIA FOOD CRISIS RESPONSE TO COVID-19

The Government of the Republic of Zambia through the Ministry of Finance is leading a country-led multi-sectoral response to the devastating COVID-19 disease pandemic. Efforts are therefore being made to mobilize resources country-wide to support this cause.

Agriculture remains a major source of food security, income, employment and livelihoods in the six Agriculture Productivity and Market Enhancement Project (APMEP) districts. However the COVID-19 global pandemic is causing severe food supply crisis among the poor and vulnerable households in rural areas because of interruption of food systems and high prices due to increased demand for food, movement restrictions and floods. Therefore without the food response intervention, the sustainability of APMEP gains are under threat as people adopt destructive coping mechanisms such as charcoal burning and deforestation.

In this regard, Ministry of Agriculture would like to submit to the GAFSP, through the African Development Bank a request for additional resources from GAFSP to make available USD1,448,788.78 to purchase agricultural inputs and other materials to mitigate and boost food security in COVID-19 affected areas of the Project. This amount is

composed of additional fresh resources from GAFSP amounting to USD1,198,788.78 and uncommitted resources amounting to USD250,000 from the Project.

This proposed budget does not significantly affect the discharge of original objectives and outputs of APMEP project but strengthens the resilience of its outputs against COVID-19.


Songwayo Zyambo
Permanent Secretary
MINISTRY OF AGRICULTURE

Summary of Decisions

GAFSP Steering Committee Meeting
24 September 2020



Summary of Decisions

Session 1: Allocation of Additional Funding for COVID-19 Support

Decision Point	SC Decision
Which additional funding (AF) requests will be approved for funding?	11 AF requests approved, per the expert panel's recommendations (see Table 1 below)
How much funding (grant amount) will be allocated for each approved request?	Total Additional Grant Funding Approved US\$: 53,347,630 (see Table 1 for country- and project-specific breakdown)
Approval of Supervising Entity Administrative fees	GAFSP's prevailing admin fee rate of 5% applies, based on the approved grant amount (this would equate to US\$2,667,382 in addition to the approved AF grant total) SEs may request exceptional SC approval for Admin Fees higher than 5% following existing GAFSP procedures. Requests will be considered on a case-by-case basis
Approval of project closing date extension requests	All recommended closing date extensions for 9 projects were approved, including Timor Leste who is not a recipient of AF (see Table 2 below)

Approved Additional Funding requests

Table 1: GAFSP Response to COVID-19 – SC approved funding

	Country	SE	Additional Grant Funding APPROVED (US\$)		
			Investment	TA	Total Grant Funding Approved
1	Yemen	WB	7,000,000	-	7,000,000
2	Rwanda	WB	5,985,295	-	5,985,295
3	Bhutan	WB	4,640,000	-	4,640,000
4	Uganda	WB	7,000,000	-	7,000,000
5	Senegal	AFDB	4,422,335	-	4,422,335
6	Honduras	WB	5,000,000	-	5,000,000
7	Ethiopia	WB/FAO	5,000,000	1,000,000	6,000,000
8	LAO PDR	IFAD/WFP	1,500,000	2,300,000	3,800,000
9	Zambia	AFDB	1,400,000	-	1,400,000
10	Haiti	IDB	4,300,000	-	4,300,000
11	Cambodia	ADB	3,800,000	-	3,800,000
Subtotal			50,047,630	3,300,000	53,347,630



Appendix 12. M&E arrangements and Monitoring Plan

A. Alignment indicators							
Indicator name	Definition/ description	Source	Baseline and targets (where possible)				
Number of months of food scarcity for COVID19 affected households reduced from 4 to 2 months	Change in monthly shortages of staple foods	Demographic and Health Survey	Baseline (date): 4 months (2020) Target (date): 2 months (2023)				
Increased COVID19 awareness among beneficiaries	Change in awareness of COVID19 and how to manage it among beneficiaries	Health Survey	Baseline (date): 30% (2020) Target (date): 100% (2023)				
B. Outcome and output indicators (<i>performance indicators</i>)							
Indicator name	Definition / description	Methodology for collection	Responsibility for collection	Frequency of reporting	Results planning		
					DATE 1	DATE 2	DATE 3
OUTCOME INDICATORS							
OUTCOME STATEMENT 1: COVID19 affected Households Increase Agricultural Production							
OUTCOME INDICATOR 1.1: Number of beneficiaries receiving safe agro inputs		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	2021	2022	2023
Output 1.1.1 Fertilizer bags distributed (50kg)		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 1.1.2 Packs of safe agrochemical packs procured in line with international standards procured and distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 1.2.3 Farmers trained in good agricultural practices		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 1.2.4 MoUs signed with outgrower companies		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME INDICATOR 1.2: Area under staple and biofortified crops increased		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	31.12.22	31.12.22	31.12.22
Output 1.2.1: Improved cassava cuttings distributed;		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 1.2.2: Mechanised implement sets distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 1.2.3: Climate Smart Agriculture seed packs distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 1.2.4 Seed packs of bio-fortified crops distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME INDICATOR 1.3: Additional Area irrigated using solar powered pumps		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	31.12.22	31.12.22	31.12.22
Output 1.3.1: Small solar powered irrigation pumps distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 1.3.2: Vegetable seed packs supplied		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 1.3.3 Land /water conservation measures implemented		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 1.3.4 Proper handling of wastes ensured		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME STATEMENT 2: COVID19 affected Households Receive safe foods and information on COVID19 and its management							
OUTCOME INDICATOR 2.1: Number of beneficiaries receiving supplementary food		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	2021	2022	2023

Output 2.1.1: HH trained in nutrition activities		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 2.1.2: Infants undergoing child feeding (3-5 years)		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 2.1.3 Food rations/packs distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME INDICATOR 2.2: Number of households trained in COVID19 and nutrition		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	2021	2022	2023
Output 2.2.1 Improved toilets and shelters provided		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 2.2.2 Food Rations for patients distributed		Progress reports	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME INDICATOR 2.3: Volume of agro-products processed on-farm (mills, expellers and presses) increases among beneficiaries		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	2021	2022	2023
Output 2.3.1 Maize mills distributed;		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 2.3.2 Oil expellers distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME INDICATOR 2.4: Number of households receiving PPE and COVID19 printed materials		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	2021	2022	2023
Output 2.4.1 PPE materials distributed		Progress reports	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 2.4.2 COVID19 printed materials distributed		Progress reports	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME INDICATOR 2.5: Information base on COVID19 improved through M&E, ESW Study on impact of COVID19 and E&S audit		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	2021	2022	2023
Output 2.5.1 M&E reports submitted.		Progress reports	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 2.5.2 Study on impact of COVID19 on agriculture		Progress reports	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 2.5.3 E&S Audit conducted		Progress reports	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME STATEMENT 3: Livelihoods and incomes diversified for 2000 COVID19 affected Households							
OUTCOME INDICATOR 3.1: Mushroom production increased		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	2021	2022	2023
Output 3.1.1: Mushroom spawn materials distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME INDICATOR 3.2: Livestock production increases through poultry and goat distribution and vaccination		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	2021	2022	2023
Output 3.2.1 Poultry distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 3.2.2 Goats distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 3.2.3: Vaccine doses distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME INDICATOR 3.3: Fish production increased		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	2021	2022	2023

through supply of fingerlings and feed							
Output 3.3.1 Fish pens stocked;		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 3.3.2 Fish cages stocked;		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 3.3.3 Fish ponds stocked production		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 3.3.4 Fingerlings distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 3.3.5 Qty of fish feed distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
OUTCOME INDICATOR 3.4: Honey production increased through distribution of beekeeping kits		Farm surveys	Zambia Statistical Agency/Ministry of Agriculture	Annual	2021	2022	2023
Output 3.4.1: Beehive kits distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 3.4.2: Beekeepers trained		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR
Output 3.4.3: Honey presses distributed		Beneficiary Register	PIU	Quarterly	Q4, 2021	MTR	PCR

AFRICAN DEVELOPMENT BANK

BOARD OF DIRECTORS

Resolution N° B/ZM/2021/10

Adopted by the Board of Directors on a lapse-of-time basis, on 5 May 2021

Grant to the Republic of Zambia from the approved resources of the Global Agriculture and Food Security Program (GAFSP) Trust Fund to finance part of the costs of the Mitigating the Impact of COVID-19 on Household Food Security Project (C19-HFS)

THE BOARD OF DIRECTORS,

HAVING REGARD TO: (i) Articles 1, 2, 10, 12, 13, 17, 32 and 37 of the Agreement Establishing the African Development Bank (the “Bank”); (ii) the Transfer Agreement under the Global Agriculture and Food Security Program (GAFSP) Trust Fund between the Bank and the International Bank for Reconstruction and Development (IBRD) as Trustee of the GAFSP Trust Fund effective 26 October 2010 (the “Transfer Agreement”); and (iii) the Appraisal Report contained in document ADB/BD/WP/2021/53/Approval (the “Appraisal Report”);

RECALLING THAT:

- (i) GAFSP Trust Fund was established to provide funding for projects supporting national and regional strategies targeting agriculture and food security in developing countries; and
- (ii) Pursuant to the Transfer Agreement, the Bank has been designated as one of the Supervising Entities of the GAFSP Trust Fund;

FURTHER RECALLING:

- (i) Document ADB/BD/WP/2016/184/Rev.2 entitled “The Waiver of the Rule of Origin for Specific Cases” as well as the corrigendum thereto (the “Proposal”); and
- (ii) Resolution N° B/BD/2017/06 adopted by this Board on 8th March 2017 approving the Proposal and deciding, *inter alia*, that the procurement of goods, works and services using the resources of the Bank shall be open to countries that are not member states of the Bank, where the Bank agrees to the use of a borrower’s procurement system, for contracts with a value not exceeding the equivalent of: (a) One Million Units of Account (UA 1,000,000) for goods; (b) Six Million Units of Account (UA 6,000,000) for works; and (c) Three Hundred Thousand Units of Account (UA 300,000) for consulting services;

HAVING CONSIDERED:

- (i) That on 24 September 2020, the GAFSP Steering Committee approved a grant of an amount not exceeding One Million, Four Hundred Thousand United States Dollars (USD 1,400,000) out of the resources of the GAFSP Trust Fund, to the Republic of Zambia to finance part of the costs of the Mitigating the Impact of COVID-19 on Household Food Security Project (C19-HFS) (the “Project”); and
- (ii) The letter of commitment issued by IBRD as Trustee of the GAFSP Trust Fund on 3 November 2020, for an amount not exceeding One Million Four Hundred Thousand United States Dollars (USD 1,400,000) in favor of the Bank for the implementation of the Project;

DECIDES as follows:

1. To award to the Republic of Zambia (the “Recipient”), from the approved resources of the GAFSP Trust Fund, a grant of an amount not exceeding One Million, Four Hundred Thousand United States Dollars (USD 1,400,000) (the “Grant”) to finance part of the costs of the Project;
2. To authorize the President to conclude a grant agreement between the Bank, as Supervising Entity for the GAFSP Trust Fund and the Recipient (the “Grant Agreement”), on the terms and conditions specified in the Standard Conditions Applicable to Grants made by the African Development Bank and the African Development Fund from the Resources of Various Funds, the Transfer Agreement and the Appraisal Report;
3. The President may cancel the Grant if the Grant Agreement is not signed within ninety (90) days from the date of approval of the Grant by this Board; and
4. This Resolution shall become effective on the date above-mentioned.