

ANNEX

1. IDENTIFICATION

Title/Number	Protracted Relief Programme (PRP II) / Cris 2009/021-175		
Total cost	EUR 5,260,000 EU contribution from 10 th EDF - B Envelope		
Aid method / Method of implementation	Project Approach – Direct Centralised Management		
DAC-code	16010	Sector	Social/Welfare Services

2. RATIONALE

2.1. Sector context

Through this intervention, a contribution of EUR 5,26 million earmarked to Zimbabwe to mitigate the effects of the food crisis, are planned to be allocated to the second phase of the "Protracted Relief Programme" (PRP II), a pool funding arrangement constituted by DFID who contracted GRM International, a consultant company through an international competitive tendering process, to manage the programme.

The programme aims to help reduce poverty for around 2 million of the poorest people in Zimbabwe. The programme is an innovative alternative to food aid consisting of diverse activities designed to support food security and promote livelihoods and assist the poorest, especially the chronically ill and most vulnerable. The EU contribution will join the programme in its second phase. In line with Commission Decision C(2008)6493 on the allocation of EUR 200 million from the 10th EDF B-Envelope reserved to respond to the soaring global food prices, the EU funds will be earmarked exclusively to activities in urban areas.

At the root of Zimbabwe's problems is an unprecedented economic decline exacerbated by a severe HIV & AIDS epidemic. Currently, 18.1% of the adult population are HIV positive and around 3,000 deaths each week are thought to be HIV related. A quarter of all children have lost one or both parents. Official figures suggest inflation as of mid 2008 is more than 200 million %. The economy has almost halved and is still contracting. Eighty percent of the population live on less than \$2 a day, sixty percent on less than \$1. Unemployment stands at over 80%.

Formally a major regional player in agriculture, Zimbabwe is currently going through recurrent food security crisis. This food insecurity is the result of a combination of factors, including the disruption to agriculture due to the "fast track land reform"; HIV/AIDS pandemics; macro-economic deterioration; control of the cereal trade; high level of unemployment; inflation; poverty and recent drought years. Food items remain in short supply or are often beyond the reach of the average family.

In view of the increased vulnerability due to the economic decline in the country, the Protracted Relief Programme (PRP) Phase I was launched in August 2004 and introduced a series of interventions that tackled some of the causes of poverty rather than treated the symptoms. The first phase of PRP has provided care for the chronically ill, improved access to water and enhanced crop production. Phase II of the programme will scale up approaches that have proved effective e.g. low-input agriculture, small livestock programmes, rope and washer pumps, and social protection. These approaches have greatly helped enhance the resilience of households to the impact of natural disasters and climate change.

The PRP is not only a humanitarian action but it is the largest social protection programme, including a safety-net approach. The relevant Ministries are involved in the program although it is implemented through NGO implementing partners (IPs).

The exit strategy is founded on the key principle of sustainability, leaving behind strengthened and self sufficient households and communities, with community groups and community institutions working closely with local government and national government service delivery agencies for the common good.

The transiently poor will be expected to graduate from IP programmes to nationally owned social protection programmes, having been given the necessary hand up to maintain and increase both their physical and intellectual assets, and to regain their dignity through self sufficiency.

The approach and methodology is aimed at achieving this through a focus on community based approaches, capacity building of IPs, cascaded training reaching down to community level, encouraging IPs to work hand in hand with government, and strengthening traditional community safety nets to protect the poorest and most vulnerable in the community. The interventions of PRP II, unlike food aid, aim to provide benefits that will continue long after PRP II has ceased to exist, through community services such as water and sanitation, improved hygiene and health, and sustainable increases in productivity and food security through improved technology.

2.2. Lessons learnt

In terms of lessons learned under the first phase of the PRP that was implemented between 2004 and 2008, a cost-benefit analysis of Phase I indicated positive rates of return for most activities. Improved impact measurement in Phase II will provide a more detailed picture of the wider economic impacts. While the challenges of effective targeting and attribution are considerable, better use of standardised indicators and M and E systems will provide more detailed results.

Phase I also demonstrated effectiveness in building social capital and supporting community cohesion and resilience through an emphasis on training and community initiatives. The second phase will build on these achievements by embedding community based approaches into all stages of the programme cycle. There will be a greater emphasis on inclusion and gender mainstreaming. Partners will be required to proactively reach out to marginalised groups especially disabled people. Interventions will be demand-led based on community needs. Priorities will be agreed and monitored through participatory approaches to build accountability with local implementing partners and local government.

2.3. Complementary actions

The EU is implementing Food Security Programmes (financed through the Food Security Thematic Budget) with similar objectives as the PRP, however only targeting rural and peri-urban areas. Under the PRP II it has been agreed that the PRP will establish a joint DFID/EU monitoring and evaluation system.

The EU is implementing the Food Facility to respond to the global food crisis. This programme includes the provision of inputs for the season 2009-2010, as well as training of farmers and agritech staff. It targets vulnerable rural households to improve their livelihoods as well as their access to food. It thereby complements the PRP which also responds to the food crisis and is aimed at providing food security, but covering urban areas that are not covered by the Food Facility.

2.4. Donor coordination

DG ECHO is currently preparing a 9 Million Euro decision to support interventions targeted at the most vulnerable population groups all over the country, and specifically at district level in urban, peri-urban and rural areas. This targeting is a reflection of the widespread vulnerability on a national level, and the widespread breakdown of all essential services. DG ECHO-funded interventions will specifically aim at supporting the early recovery of the food security and livelihoods of the most vulnerable populations. Through the EU contribution to the PRP, the programme will complement food aid activities of ECHO and other donors, with a view to linking pure food assistance with more sustainable social protection activities which is the aim of the PRP, thereby supporting the LRRD concept. The programme is implemented through a pool funding arrangement, implemented by GRM. So far, DFID and AustralianAid are contributors, with Netherlands, Denmark, and Norway recently joining the PRP funding through DFID, and the World Bank providing funds directly to the PRP through GRM. Other donors have been consulted widely in the preparation of the PRP. Harmonisation around humanitarian relief is improving. Programme funding mechanisms are designed to allow other donors to contribute.

Harmonisation of aid with Government policies has been very challenging in Zimbabwe in the areas of food/livelihood security, social protection and water and sanitation where there is little consensus between Government and donors regarding the nature, extent and solutions to the present crisis. There

is no coherent government policy in these sectors which are focal sectors of the programme. In addition, the complex nature of protracted relief programmes is not captured within the mandate of a single ministry. In the present policy environment there is no direct funding of Government. Policy discussions with government are low key and most advocacy is through UN agencies. This policy dialogue, along with the flexibility of the programme, will allow closer working with government if and when there is policy change nationally. With the advent of the Inclusive Government, dialogue in these sectors is starting to pick up, however, still a long way from direct funding government institutions as these need major policy re-direction and planning. In addition, the PRP mostly works to support areas where the 'graduation' through community based poverty reduction and empowerment rather than aiming to replace the role of the Government making it relevant even when direct funding of government institutions becomes a credible option.

3. DESCRIPTION

3.1. Overall Objectives and purpose (specific objective) of the EU support

The overall objective of the programme is to reduce extreme poverty in urban areas of Zimbabwe. The purpose is to prevent destitution and protect and promote the livelihoods of the poor and most vulnerable.

3.2. Expected results and main activities

The strategy to contribute to a reduction of poverty among the most vulnerable people in Zimbabwe is to promote livelihoods and to support food security through a range of activities, implemented at the grass roots level through NGOs. GRM International as the leader of the consortium of beneficiaries will be responsible for Monitoring and Evaluation of the programme. The following results apply to the overall PRP covering both rural and urban areas.

Improved food security through productivity increases and income generation (Result 1)

Urban poverty has increased sharply with unemployment reaching 80% and declining real incomes in the face of hyper inflation. The project will continue to provide income generation opportunities, and encourage social support networks that respond to the needs of the communities.

Social protection provided for the chronically poor (Result 2)

Home-based care programmes will improve the health-care, nutrition and social support for the terminally ill and their wider family. The programme will also provide longer term and predictable social assistance to lift these households out of dependency on short term food aid. Different models of social assistance will be encouraged, including the use of vouchers and piloting of cash transfers in urban areas.

Improved access to clean water, sanitation and hygiene (Result 3)

The programme will work with communities to install and rehabilitate water pumps that have ceased to function. There will be increased emphasis on hygiene awareness and education. Limited latrine construction using simple low-cost innovative models will be promoted. The programme will also assist district level institutions by introducing new technologies and encouraging planning and coordination through meetings and visits to communities.

Strengthened capacity for demand-led Interventions (Result 4)

The programme will build the capacity of civil society to help poor people identify and demand appropriate interventions. This includes ensuring that a basket of interventions is made available and tailored to each community. Capacity building will take place at all levels including practical lesson learning through field demonstrations and exchange visits.

Effective coordination amongst stakeholders delivering relief and recovery Programmes (Result 5)

Implementing Partners

As many implementing partners receive funds from other sources, utilising and directing these funding streams effectively is a challenge that will be addressed by the management consultants through the sharing of detailed work plans and more harmonised reporting, monitoring and evaluation systems. The comprehensive M and E systems developed in Phase I will be continually improved.

Donors

The programme is in the process of establishing a Donor Steering Group with the recent inclusion of four additional donors aside from the EU. This will provide strategic oversight of the PRP with the intention of developing structures and mechanisms for pooled funding as the programme progresses and others are able to provide multi-year funding. The programmatic Steering Committee (SC) is already in place which includes donor representation. The role of the SC is to provide oversight of the programme and make decisions on implementation policy within donor-agreed framework.

Continued Innovation, Communication and Dissemination of Successful Practice (Result 6)

A communications strategy will strengthen consensus on lesson learning. It will provide to all stakeholders timely, appropriately packaged guidance and advice and link closely with the output on research dissemination and lesson learning. There are already links to DFID's Research with the programme and these together with other relevant research groups will be improved.

Communication Strategy:

The objectives of the communication includes publicising the programme locally, regionally and internationally and to make sure that it is well documented and disseminated to ensure lessons learnt, activities and outputs of programme are feeding into the nation, region or specific interventions.

Activities carried out in pursuit of the goal of the programme involve a huge aspect of knowledge management where information is collected from implementing partners (and donors) through a well planned reporting system. This information is then analysed, processed into monthly progress reports, quarterly output reports, M&E reports, lessons learnt and best practices, impact evaluation, and other publications.

Information will be disseminated through a number of channels:

- a) PRPII implementing Partners
- b) Beneficiary communities
- c) Donors
- d) Government
- e) General public

3.3. Risks and assumptions

The risks associated with this project are the following:

Risk	Mitigation
1. PRP partners' operations affected by political environment	Close monitoring by donors. Maintain clear beneficiary selection criteria. Rapid incident reporting. Suspension or closure of programmes if high interference is evident
2. Deepening humanitarian emergency or conflict situation	Continue to work with UN including OCHA in monitoring humanitarian access. Continue to provide proportionate response to WFP. Work with WFP to ensure food aid targeting compatible with PRP approach.
3. Poor economic policies undermine aid effectiveness	Continue to lobby for improved donor exchange rate. Continue to procure commodities e.g. drugs/food externally.
4. Imposition of strict controls over the exchange market and devaluation of funds through hyperinflation.	Project partners to operate in foreign currency as much as possible.
5. Changing policy environment leads to donor funded stabilisation package and desire to work more closely with Government.	Joint donor analysis re prioritisation/sequencing re-engagement with GoZ. Donor-agreed stabilisation programmes should seek to protect social expenditures. PRP positions itself as an important partner both maintaining social protection functions and through stimulating economic development in the informal economy.
6. Climatic shocks	Maintain ability to respond to sudden onset emergencies through capacity strengthening in risk reduction and preparedness e.g. drought tolerant crops and low-input farming.

As regards sustainability of the action, the PRP envisages to leave behind strengthened and self sufficient households and communities, with community groups and community institutions working closely with local government and national government service delivery agencies for the common good.

3.4. Crosscutting Issues

To achieve environmental sustainability, the programme seeks to reverse the decline in soil productivity especially in the smallholder sector. The widespread introduction of conservation farming, emphasis on improved management, and training in the use of limited inputs, will have long-term and sustainable impacts on productivity levels of smallholder farmers throughout Zimbabwe.

In order to address gender issues, implementing partners will be required to demonstrate how they will address gender inequity in call for proposals. Gender plays an important role in targeting, as unequal power relation between the sexes is at the root of the HIV/AIDS epidemic. Zimbabwe remains a deeply patriarchal society with women marginalised in all spheres. Provision of water will significantly ease the household burden on rural women. Opportunities to develop paralegal services on wills and inheritance issues and access to vending licenses will support women's rights and economic empowerment. The programme will proactively seek to engage young males (16-25) as home based care volunteers and in public works.

HIV/AIDS will be mainstreamed through providing home based care based on national standards to ensure dignified death. Nutrition gardens to support healthy diets will be created.

3.5. Stakeholders

The primary beneficiaries of the programme are people who suffer from hunger and extreme poverty. This includes disabled people, ethnic minorities, ex-commercial farmworkers, displaced people, the elderly, orphans and people living with HIV/AIDS.

Other stakeholders include GRM international and the consortium of beneficiaries of this action which are international and local NGOs implementing the actions, as well as Local Government through concluding MoUs with the implementing NGOs, international consultants who manage the programme, as well as donors who provide oversight of the programme through a Steering Group.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The project will be implemented by the European Commission, through its delegation in the beneficiary country in direct centralised management. No Financing Agreement will be signed for this action. The action will be implemented by awarding a direct grant in accordance with Article 168(1)(c) IR to GRM International, a specific body with the network of NGOs. Being tasked with managing the PRP, GRM International with the NGOs holds de facto monopoly for this action. Moreover, responding to the global food crisis, this project will need to be implemented with an urgency which is incompatible with the periods laid down for Call for Proposals procedures.

GRM will act as the leader of the consortium of the beneficiaries. Other beneficiaries of the grant will be a number of local and international NGOs implementing results 1-4 of the action and will be specified in the grant agreement. Funds to implement these results will be transferred to the NGOs by GRM acting as the consortium leader.

To implement and manage the programme, GRM International has created the Management, Training, Learning and Coordination (MTLC) office responsible for coordination, technical learning and the monitoring and evaluation of the programme. For the implementation of activities on the ground as per results 1-4 under point 3.2 above, GRM International will utilise its local and international partners who are competent NGOs. GRM International is however ultimately responsible to implement the

action and is required to provide and account for the disbursement of funds to other beneficiaries. Moreover, GRM International will be responsible for the implementation of results 5-6 under point 3.2 above.

4.2. Procurement and grant award procedures

1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the Financial Regulation applicable to the 10th European Development Fund. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in article 20 of Annex IV of the Cotonou Agreement.

2) Specific rules of grants

The essential selection and award criteria for the award of grants are laid down in the Practical Guide to contract procedures for EU external actions. They are established in accordance with the principles set out in Title VII 'Grants' of the Financial Regulation applicable to the 10th European Development Fund. When derogations to these principles are applied, they shall be justified, in particular in the following cases:

- Financing in full (derogation to the principle of co-financing): the action will be financed in full as per Article 253 of the Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of the Financial Regulation applicable to the general budget of the European Communities and in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.
- Derogation to the principle of non-retroactivity: a grant may be awarded for an action which has already begun only if the applicant can demonstrate the need to start the action before the grant is awarded, in accordance with Article 108 of the Financial Regulation applicable to the 10th European Development Fund.

4.3. Budget and calendar

The total project cost is estimated at EUR 5.26 million, financed from the allocation of EUR 200 million from the 10th EDF B-Envelope reserved to respond to the soaring global food prices (Commission Decision C(2008)6493).

The operational duration of the action is 24 months as from the signature of the grant contract.

The indicative project budget to be managed by GRM International is summarised below:

Activity	Budget
Grant to GRM International as consortium leader	5,140,000
Monitoring and Evaluation	70,000
Audit	50,000
TOTAL	5,260,000

4.4. Performance monitoring

A comprehensive M&E system was developed under phase one of the PRP. As many implementing partners receive funds from other sources, utilising and directing these funding streams effectively is a challenge that will be addressed by the management consultants through the sharing of detailed work

plans and more harmonised reporting, monitoring and evaluation systems. The M&E developed in Phase 1 will be continually be improved and linked to the M&E of the EU's Food Security programme (financed through the Food Security Thematic Budget).- The objective is to define common indicators for the two programmes to offer the possibility of a common result analysis between the two Donors. Knowledge sharing should be an important component of the Food Facility Programme in that lessons learned from each project will be shared not only between projects but also at a higher level through exchange of lessons learned and experiences between funding sources.

The main performance indicators are the following:

- No increase in Global Acute Malnutrition rates over the 2006 figures in sentinel PRP targeted areas
- Numbers of people requiring food aid reduced by 20% over 2006 baseline
- Quantitative evaluation provides evidence on the impact of interventions on incomes, welfare and assets.
- More than 50% of communities reporting greater food security and identifying the causes of this improvement
- Decrease in stigma attached to those with HIV/AIDS.
- Reduction of Households becoming destitute or broken up completely because of a parental death (baseline to be determined)

4.5. Evaluation and audit

Implementing partners to be subcontracted by GRM International will produce annual audited accounts each financial year according to grant contract rules. A final evaluation is planned to be carried out at the end of the EC financing.

Evaluation and Audit will be managed by the European Commission.

4.6. Communication and visibility

Communications and visibility activities will be an integral part of Activity/Result 6 of this project which will form part of the grant contract with GRM International.

All communications will follow agreed donor guidelines and will address the visibility criteria of each donor in a coherent way that clearly highlights the multi-donor nature of the programme.

The European Union visibility guidelines will be applied for the programme. GRM will be requested to ensure compliance with these guidelines.