Annex

1. **IDENTIFICATION**

| Title | Integrated Programme to achieve Sustainable Food Security – II
|       | FED/2012/024-263
|       | Zimbabwe
| Total cost | EUR 24 600 000
|           | 10th EDF contribution – B envelope,
| Aid method / Method of implementation | Project approach
|       | Direct centralised management
| DAC-code | 52010
| Sector | Food Security

2. **RATIONALE**

2.1. **Sector context**

2.1.1. **Coherence with national priorities**

Since the adoption of appropriate measures under Article 96 of the revised Cotonou Agreement by Council Decision 2002/148/EC as last amended by Council Decision 2012/96/EU, based on the conclusion of Article 96(2) consultations with the Republic of Zimbabwe on 11 January 2002, EU assistance to Zimbabwe has been reoriented mainly to programmes and projects in direct support of the population, in particular in social sectors, and food security/agriculture (and since 2010 to projects in support of the reforms contained in the Global Political Agreement (GPA). The EU's support to food security/agriculture through implementing partners included in this action is thus already compliant with these conditions, and is not affected by the suspension of the limitations to the cooperation with the government of Zimbabwe.

The IP-SFS 2012-2013 is responding directly to priorities highlighted in the 2012 Budget of Zimbabwe, the Medium Term Plan 2011 – 2015, draft Zimbabwe CAADP (Comprehensive Africa Agriculture Development Programme Compact), Food and Nutrition Security Policy and draft Zimbabwe Agriculture Investment Plan 2013-2017. The 2012 Budget mentions the agricultural sector as "crucial to the rest of the economy" providing over 70% of the population's livelihoods, while around 63% of the population (which includes the most vulnerable section) is living in the rural areas. The Mid Term Plan 2011-2015 highlights also the important role of Agriculture that provides 60% of all raw materials for the country's industry and contributes to 40% of total export earnings. It also mentions the needs to develop non farming income generating activities including natural resource management in order to improve food security in rural areas. The Zimbabwean CAADP insists on the role of agriculture as the main strategy to achieve the Millennium Development Goals of poverty reduction. The draft Food and Nutrition Security confirms the country's commitment "to ensure food security for all, including access to adequate, diverse and nutritious food by all people, at all time" through 7 commitments including agriculture development. The recent (June 2012 draft) Zimbabwe Agriculture Investment Plan 2013-2017 is a common Government and donor exercise that contributes to the MTP 2011-2015, in line with the core principle of the CAADP. It reiterates the role of agriculture and natural resources management to increase household and national food security.

Food security for all Zimbabweans is on the highest agenda of the Government. As most of the population (63%) lives in rural areas and small-scale agriculture including livestock is the main activity, the IP-SFS 2 will focus on agriculture related activities. However other activities such as natural resources management will be considered in the IP-SFS2 as they are an alternative source of
income particularly important as diversification strategy or core food security strategy in areas prone to drought.

For agriculture the Budget 2012 prioritizes interventions in financing, irrigation, research and extension services and marketing. Other strategic documents focusing on food security, such as the CAADP, Zimbabwe Agriculture Investment Plan or Food and Nutrition Policy include as well access to land, increase food supply and promotion of non-agriculture income generating activities. National allocations for 2012 for Agriculture is US$ 226.7 million which is well below the required US$ 2 billion / year that would improve significantly the food security needs of the Nation in general and in particular of the 1.3 million households having a subsistence living in rural areas.

2.1.2. Specific sector context

Need and Rationale for Support to the Food Security and Agricultural Sector

Agricultural production in Zimbabwe underwent 8 consecutive years of decline until 2008 following the implementation of the fast track land reform and price control policies. However, since 2009, the stabilisation of the macroeconomic framework with the dollarization and the curtailing of hyperinflation, as well as abandoning price controls, have enabled local markets to become functional again and return to positive sector growth. According to the 2011 national budget, agriculture recorded a 33.9% growth in 2010 driven by a 24% growth in maize production, 100% growth in tobacco, 35% and 23% growth in sugar and cotton respectively. Projections are that agricultural growth will remain positive in 2012 although a downward revision from that previously forecasted of 11.6% is expected. The lower than expected growth is mainly due to the impact of the recently ended agricultural season which has seen droughts being experienced in some parts of the country thereby negatively impacting on yields. The return to positive growth over the recent years however, has resulted in a significant shift in approach from donor assistance moving away from relief programmes to longer term food security and livelihood recovery strategies, with more and more focus on agricultural productivity.

The causes of food insecurity

The still low agricultural productivity and the high level of food insecurity in Zimbabwe are the result of complex interlinked factors stemming from both a man made crisis of a political and economic nature and of an extreme vulnerability to climatic shocks. The main reason for the protracted decline in agricultural production is the unresolved issue of contested land, with unclear ownership and tenure being the result of the agrarian reform undertaken in 2000. The deteriorated economic situation of the country has resulted in large scale unemployment at national level (estimates range from 80 – 95%) affecting, in particular, the rural areas.

Input markets have, to some extent, recovered and most agricultural inputs are available, but absence of rural finance and high credit costs make inputs unaffordable for most farmers. The lack of employment opportunities, combined with limited cash crop production, has prevented most poor from increasing and diversifying their production as well as earning higher incomes.

Some improvement in agricultural production has been observed over the last 2 years linked to the slow economic recovery, and the re-establishment of market functions. However the positive agricultural developments need some more support to become sustainable. Macro-level economic policy changes introduced at the beginning of 2009, such as the introduction of the US dollar/South Africa rand and the liberalisation of trade restrictions, have created an environment for interventions which can use market mechanisms. An injection of resources for agro-inputs provides smallholders with the capacity to respond to more positive market signals and move out of food insecurity, poverty and dependency.

The recent recovery of the economy of Zimbabwe is presently threatened by the global economic crisis and the euro crisis in particular, as well as the drought during last agriculture season, severely impacting on agricultural production and growth. Zimbabwe is affected directly but also indirectly through its main economic partner, South Africa. Zimbabweans working in South Africa have been an important source of remittances to Zimbabwe, now in decline because of reduced job opportunities.
there. Nevertheless, Zimbabwe has moved in recent years from relief to rehabilitation. The main focus for the near future should be on supporting small scale producers in the most vulnerable areas by engaging in community organization and empowerment and (re-) establishment of technical and market support systems, in which producer based organizations should play an important role. The focus on inputs supply for cereal production is gradually shifting to supporting alternative production systems fitting within the local context that have better potential for income generation, following market based approaches.

Main problems addressed by the Project and target beneficiaries

The project will tackle the problem of food insecurity of small scale producers by supporting sustainable agricultural production (for both crops and livestock) and alternative sources of income e.g. from natural resources in general.

The specific problems addressed by the project will be:
- Limited financial capacity of the smallholder farmers to invest in sustainable practices in agriculture and natural resources management
- The lack of adapted extension services - specific to agro-ecological zones - promoting sustainable farming systems for the needs of smallholder farmers.
- Lack of capacity to mobilize resources through multi stakeholder partnerships, such as PPCP (Public Private Community Partnerships), aggravated by the lack of planning capacity at national, provincial and district levels, leading to inefficiencies in resource allocations and utilization.
- The underutilization of available water resources due to lack of investments in irrigation development.
- The weak capacity in food security sector thematic strategy and policy development, and planning capacity at national, provincial and district level for development of investment plans and efficient resource allocation.
- The challenges in promoting synergies between the EU IP-SPS programmes with other donors' programmes promoting agriculture and non agriculture source of income in rural areas.

In addition because of the transition from relief to recovery and development, including the current alignment of all donors' programmes along with government priorities and the development of joint monitoring mechanisms, the following has already been addressed through the Ad Hoc 2011 allocation which will also contribute to the implementation of the present project:
- Develop the knowledge base around small-scale farming in order to provide a coherent and efficient support to the sector (Ad Hoc 2011, result 3).
- Ensure a coordination mechanism between all actors in order to develop coherent support to smallholder farmers (Ad Hoc 2011, result 4)

In terms of project beneficiaries, three broad categories of rural farm households in communal areas can be identified:

<table>
<thead>
<tr>
<th>Group</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>Group A</td>
<td>Poor rural families with no land and/or no labour resources; these households need to be supported through social transfers or safety nets rather than agricultural interventions.</td>
</tr>
<tr>
<td>Group B1</td>
<td>These households have access to land and labour and gain food security through cereal production and/or improved gardening or livestock interventions.</td>
</tr>
<tr>
<td>Group B2</td>
<td>These are emerging smallholder farmers who, with some support, can increase agricultural productivity to achieve food security and improve livelihoods though increased cereal production and/or sale of crops and/or livestock.</td>
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<tr>
<td>Group C</td>
<td>Farmers in this category have the potential to enter into market linkage arrangements with the private sector and produce surplus and/or cash crops.</td>
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</table>

The EU will target mainly the small scale farmers from category B2 and B1 although C category will be considered for specific interventions. The final targeting of beneficiaries for the project and the level of support for each category of beneficiaries will be one of the outcomes of the continuous donor
coordination described in paragraph 2.4. At present, the major donors (the UK Department for International Development (DFID), USAID, EU) are programming important allocations for the years ahead. It is crucial that sufficient flexibility will be allowed to ensure that programmes supported by different donors will complement each other, geographically and thematically. This will enhance the possibility for farmers graduating from one category to another. The funds allocated for coordination to the Food and Agriculture Organization (FAO) under the special support to Zimbabwe from the 10th European Development Fund in 2011 (C/2011/5545) are also intended to support this strategy of enhanced donor cooperation.

It is expected that around 66 000 beneficiary households will be targeted through the project. Other key stakeholders involved in the implementation of the project will be farmers' associations as well as Government extension services at provincial and district levels so that long term sustainability is achieved.

2.2. Lessons learnt

The 2010 evaluation of the FAO programme¹, largely supported by the EU, gave three categories of lessons that are taken into consideration in the proposed activities:

a) On Extension services and Intensification of agricultural production. Acknowledging the positive results testified by an increase of maize yields from less than 1T/ha, to an average of 2-3T/ha under Conservation Agriculture (CA), the evaluation noted the following areas for improvement:

• There is scope for differentiating beneficiary groups according to specific needs criteria.
• The extension model used has been top-down, “one-size fits all”, focusing on land productivity of grains on CA plots and not on labour productivity on the whole farm and therefore there is a need to expand the scope of the extension service package to integrate more adequately crop – livestock – tree production in the extension package in a way that will optimize the overall outcomes of the farming systems. In particular it will help improve the resilience of smallholder farmers (SHFs) to vulnerability factors, including climate variability and change.
• Mechanized CA should be considered in term of seeding, ripper application of fertiliser after mulching the area (the technique currently experimented for the time being is to cut through the layer of mulch and mechanically do the three actions) as well as at a latter stage to apply herbicide. Mechanized CA reduces pressure on household labour, particularly on women and child labour, and can increase the area under CA.
• Greater sustainability would be achieved in scaling up the area under CA per farm.
• FAO and its partners are not devoting enough resources to supporting/strengthening of farmers institutions/organizations in order to achieve long term sustainability.
• On the Government side, resources have been extremely limited for institutional capacity development particularly for Government extension services at provincial and district levels. Within the Government, there is a severe lack of capacity and an inadequate incentive environment for the provision of extension services.

b) On livestock support, the report pointed out the following:
• The need to develop sustainability mechanism built in the programme, such as introducing cost recovery in dipping operations as per the Ministry of Agriculture, Mechanisation and Irrigation Development (MoAMID) policy.
• Beside cattle, the need to give more attention to small ruminants (especially goats) largely owned by smallholders and vulnerable groups.
• The targeting of diseases should also include support therapy such as de-worming and minor treatments to enhance the effectiveness of disease prevention and control efforts.

c) On Gender mainstreaming: there has not been effective gender mainstreaming. The focus has been on gender outputs i.e. male/female beneficiary numbers without adequate attention to the

¹ The FAO Programme comprises of: FAO-Union project under Stabex 95 (ended), the FAO Conservation agriculture – the FAO High food price initiative (ended) focusing on agriculture input and finally the FAO support programme under the Ad Hoc 2010 focusing on livestock. All those projects are contributing to the IP-SPS main results area.
examination of the equitable distribution of benefits for males and females resulting from interventions. No link was established between HIV and gender mainstreaming.

Besides this overall evaluation of the programme, the results oriented monitoring (ROM) of the EU support to the overall sector coordination through FAO gave a positive assessment and pointed it out as a model to expand to other countries. A continuation of EU support was recommended.

From the evaluation of the joint donors operation in 2010-2011, the use of vouchers and particularly of open vouchers with local agro dealers has been positively assessed in comparison with past support involving the distribution of physical input packages, which were sometimes inappropriate for specific agro ecological zones and for specific farmer’s needs. One of the key positive findings has been the important self-contribution of the farmers, besides the subsidy element.

One other issue that cuts across the various evaluations and studies is farmers' behaviour and the need for behavioural change. The choice of farmers for maize in areas unsuitable for this crop is perhaps understandable from a household food security perspective and risk strategy but not from a perspective of efficient use of inputs and income generation. Management of livestock in many areas reflects the perspective of households to have a reserve in times of need, but not from a perspective of generating an income from livestock activities and to sustainably maintain quality livestock in the local context. Regarding nutrition, it has been noted that malnutrition among children under 5 occurs in some areas (high rainfall) where maize as staple food is abundantly available, while in some other less favourable areas (less rainfall), the dietary pattern is more diverse (cereals and pulses). These issues need to be addressed across all of the result areas under the present project.

Finally, the evaluation of the 9th EDF Micro Irrigation project has shown the positive impact of this programme, and also pointed at the need for close involvement of beneficiaries at the very early stages of planning and design, as well as establishing linkages to markets for enhancing sustainability.

2.3. Complementary actions

Currently, the EU is one of the major donors (with other major donors being DFID and USAID) in the sector and is supporting a variety of programmes in the area of agriculture and food security: access to agro-inputs for small scale farmers (main component), extension services, micro-irrigation systems, provision of livestock services and alternative sources of production and income. In addition, the EU supports the farmers unions and (commodity) associations as the key non state partners to mobilise farmers, as well as coordination mechanisms (FAO agriculture working group, land audit).

In response to the food security challenges in Zimbabwe, the EU developed an overall implementation framework called the "Integrated Programme to achieve Sustainable Food Security" (IP-SFS) in order to provide a coherent framework of intervention for our food security interventions for the coming years whilst also enabling a smooth transition to the programming of the 11th EDF, aligning to the Food Security Policy COM(2010)127 (in particular in respect of a comprehensive approach in fragile countries) and the Agenda for Change Communication COM(2011)637, regarding sustainable agriculture and inclusive development. This IP-SFS has been further developed through a consultancy (Dec.2011/Jan. 2012) resulting in the formulation of the EU Food Security Strategy, containing six strategic objectives leading to the result areas defined in section 3.2. Under the IP-SFS there have been yearly disbursement of about EUR30 million for the sector despite not having a five-years National Indicative Programme (NIP). In that sense, the proposed project is a continuation along the main results areas of the IP-SFS and the Food Security Strategy. However, because the support is defined every year along the food security and agriculture sector evolution of needs, the focus of specific support will be adapted taking into consideration a) EU on-going support b) other donors, Government and private sector programmes and c) yearly common strategies which will be to increase the support to small scale productive farmers in order for this group to achieve a sustainable food security situation.

The Ad Hoc 2012-13 allocation complements the Ad Hoc 2011 and the Food Security Thematic Programme (FSTP) 2012 allocation within the overall framework of the Integrated Programme for Sustainable Food Security. As a result of the larger funding under the present allocation, some of the...
strategic objectives as defined in the Food Security strategy allow for a larger coverage (smallholder farmer investment capacity and provision of demand driven and adapted extension services) while some other strategic objectives will now also be addressed (fostering multi-stakeholder partnerships, irrigation development, support to policy development and planning capacity). At the same time, the Ad Hoc 2012-13 project will benefit from the coordination and monitoring which will be entrusted to the FAO to be funded under the Ad Hoc 2011, for which reason no funds are foreseen for this action in the present proposal. This role of the FAO, to be funded under Ad Hoc 2011 is a continuation of funding under contract FED/2009/224-565.

In terms of complementarities with other donor support, the most vulnerable (groups A and B1) were targeted by DFID, through the Protracted Relief Programme, which is coming to an end in 2012. DFID is presently programming its support for the next 4 years. USAID (presently programming for the next 5 years as well) supports the most vulnerable categories of the rural population through its Promoting Recovery in Zimbabwe Programme (PRIZE), as does the World Food Programme (WFP) through its food for assets programme. The Directorate General for Humanitarian Aid and Civil Protection has nearly ended its support, though is keeping a presence focusing on increasing resilience of the vulnerable to shocks.

Focussing on market linkages and private sector development in rural areas are the programmes supported by USAID, Danida in cooperation with Netherlands Development Organisation (SNV) and Swiss cooperation; these programmes are supporting the same small scale farmers as the EU through complementary actions such as promotion of market linkages, contract farming arrangements, and entrepreneurship development.

As part of the common strategy adopted in 2011, donors focusing on A and B1 farmers will target their support to facilitate graduation of those farmers to category B2 or C.

In addition, the EU is supporting the adaptation strategy for the sugar sector (EUR 32 million) with as main activity cane replanting of the out-growers farmers (category C as per the stakeholders analysis). 4 M€ have been earmarked from the Sugar fund to support the formulation and the implementation of a Comprehensive Land Reform Programme. The Comprehensive Land Reform Programme (CLaRP) addresses resolution of conflict through a land audit, provides policy guidance on security of tenure, sets in place a coherent land administration framework and finally provides a framework for compensation. A start-up phase has already been completed whose main result has been the update of the land registry with all the transactions which occurred since 2002 and the clarification on some land policy issues. At present, the Ministry of Lands and Rural Resettlement is to give its final approval on the proposed project in order to be able to contract the funds earmarked for this purpose.

2.4. Donor coordination

Coordination between donors has been reinforced since 2010. There is currently an Agriculture Inputs Steering Committee now chaired by the Ministry of Agriculture gathering all major donors operating in the sector, key implementing partners, representatives of private sector and civil society. The group is extremely proactive in terms of sharing of information and in the elaboration of a common strategy ahead of the agricultural seasons. In early 2011, a matrix of donor interventions was developed, which gave insight in complementarities and synergies among the donors as well as for a potential division of labour for the coming years. This document and a number of external and internal consultations have allowed the EU to fine-tune its strategy and design the proposed Project for the Ad Hoc allocation 2011 as well as for the present Ad Hoc allocation 2012-2013.

On operational matters, the FAO is chairing the Agriculture Coordination Working Group regrouping all non-governmental organisations (NGOs) (124 listed) active in the sector and the technical departments of Ministry of Agriculture.

The EU is participating in almost all other donor coordination mechanisms. The main ones are the Agriculture Sector Technical Review Group of the Analytical Multi Donors Trust Fund, supporting analysis in the agriculture sector and other technical working groups, such as the extension working
group, the market linkage working group, the irrigation working group and others. The Agriculture Inputs Steering Committee focuses not only on the mobilization of resources ahead of each agricultural season but also on promoting a common intervention strategy among stakeholders. The idea is to promote an efficient approach among donors that is aligned with Government policies. The currently proposed project is one of the building blocks in such an approach.

3. **DESCRIPTION**

This project is based on the EU Food Security Strategy and forms part of the EU’s Integrated Program to achieve Sustainable Food Security (IP-SFS) and therefore has the same overall objective and project purpose.

3.1. **Objectives**

The **overall objective** is to reduce the dependency of vulnerable rural households on humanitarian assistance and foster resilience to food insecurity.

Considering the current division of labour between donors and the ongoing EU support, the **project purpose** is: to increase and diversify sources of food and income of the small scale farmers with a strategic focus on emerging productive-small scale farmers.

3.2. **Expected results and main activities**

The expected results are in line with the IP SFS and the Food Security strategic approach and relate to smallholder farmers’ investments in sustainable agricultural practices and to adapted extension services (results 1 and 2), fostering multi stakeholder partnerships (result 3), thematic studies and planning capacity (results 4) and to irrigation development (result 5).

**Result 1: Smallholder farmers’ capacity to invest in sustainable agriculture and natural resource management has increased.**

Types of activities will range from support to conservation farming, improved crop rotation, gardening, large and small livestock production, agro-forestry and other sustainable natural resource management activities.

Investments will be in the form of inputs and small equipment made available using both open and targeted agro-vouchers for purchase on the market. The definition of type of inputs and equipment will be made according to the type of activities supported in relation to the agro-ecological zone and to the category of beneficiaries targeted.

The activities will be aligned to current and forthcoming government programmes, particularly in the sectors of livestock and crop production.

**Result 2: Demand driven and adapted research and extension services are stronger and more widely accessible.**

The **extension model** will be demand driven in relation to the activities defined for each agro-ecological zone and category of beneficiaries targeted. The extension model will, as far as possible, integrate crop – livestock – tree production in a way that will optimize the overall outcomes of the farming systems per agro ecological zone.

The extension models will consider equitable distribution of benefits for males and females resulting from interventions, and establish the link between HIV and gender mainstreaming efforts.

The activities will, as far as possible, be aligned to current and forthcoming extension services programmes carried out by the following institutions:

- The Government particularly those of Agriculture Technical Service Department (AGRITEX),
- Department of Veterinary Services (DVS) Department of Forestry and natural resources
The Farmers Unions and farmers associations; particularly the newly established Zimbabwe Farmers Agricultural Trust.

The private sector having functional contract farming or other crop purchase agreements.

**Result 3: Public Private and Community Partnerships are adopted for small scale commercial farming or natural resource management initiatives.**

At present, the EU supports through the National Sugar Adaptation Strategy, a multi stakeholder partnership consisting of the Industry (mills and estates), the farmers (small scale outgrowers, expected to supply around 30% of total sugarcane to the mills) and the Government (oversight role, representation from all concerned ministries). This partnership has so far been exemplary in restoring this important industry (national and provincial importance. This result area will lead to the identification of options and formulation of proposals to be implemented with the available funding, bringing together stakeholders in a similar partnerships as for the sugar adaptation strategy. One opportunity in which the EU has shown interest and active support in the past is the revival of the coffee industry in the Hunde valley, where smallholder farmers together with some large scale farmers and the coffee mill could be instrumental in the recovery of the coffee sector of the country. Similar to the sugar sector, the coffee sector has been in decline during the crisis, and is in need of investments to recover.

**Result 4: Multi-stakeholder Food security sector thematic strategy and policy development are promoted and reinforced.**

The EU will continue to support relevant studies in the agricultural sector, improve the quality and coherence of support for the sector. This will include specific sector and sub-sector studies, including workshops, geared toward the formulation of sector and sub sector policies, strategies and investment plans. Specific attention will be given to strengthening planning capacity at national, provincial and district level and development of appropriate investment plans to improve efficiency of allocation of resources.

**Result 5: Small scale irrigation infrastructure for income generation through market oriented production systems are established or rehabilitated.**

In line with one of the Ministry's top priorities, this result seeks to establish or to rehabilitate small scale irrigation schemes. At present, under the A-MDTF (Multi Donor Trust Fund) an irrigation study has been commissioned on best practices, which will inform the new irrigation policy presently being developed by the Ministry of Agriculture through a consultative process. This action will also build upon the experience and the lessons learned from the Smallholder Micro Irrigation Development Scheme, funded under the 9th EDF. The EU will seek to collaborate with other interested donor's in this field.

### 3.3. Risks and assumptions

The main reasons for the past decline in agricultural production were unclear land ownership and tenure arrangements, being the result of the agrarian reform undertaken in 2000, price control policies and political violence. There is a risk that - with the possibility of the elections taking place before governance matters are resolved - political violence and renewed insecurity of tenure become the norm again, making it more difficult to operate effectively in the rural areas. To mitigate this risk, implementing partners will have to evaluate the national political climate and adapt the timing and activities of the programme to the situation on the ground in order to prevent political abuse and loss of sustainability of the planned support activities.

Climate Change is considered as a risk for the Project. Therefore Climate risk analysis as well as mitigation and adaptation strategies should be incorporated into each action. On of the criteria for selecting Project Partners will be their capacity to analyze Climate risks and propose mitigation / adaptation strategies within the actions.
3.4. Crosscutting Issues

Gender: traditionally, women in rural area have limited rights and no access rights to communal land; as a result, single women headed families are - with the orphan headed families - the most vulnerable. To respond to that challenge, the projects will ensure that a fair percentage of single women headed households are selected in each group of beneficiaries targeted to benefit from the projects.

The economic crisis and HIV/AIDS have strongly affected the Zimbabwean population. At present, treatments for HIV/AIDS and other major diseases remain difficult to access for the rural population, even so when at national level donor programmes have greatly improved availability. Therefore, the programme will ensure that extension services develop a HIV/AIDS message and, more generally, that synergies are developed for the beneficiary population to be aware of the anti HIV/AIDS activities developed in the vicinity.

The environmental situation in rural area has rapidly deteriorated, driven, among other factors, by an increase in uncontrolled bush fires, use of fire wood for inefficient cooking and recently for tobacco drying. As a specific response, the project will promote agro-forestry, Good Agricultural Practices and other sustainable natural resource management activities. Under the Ad Hoc 2011 (result 3), a specific evaluation of the environmental impact for all EU projects currently funded under the IP-SFS will be conducted. If additional information will be required, further studies can be funded under result 4 of Ad Hoc 2012-13 allocation.

3.5. Stakeholders

Considerable stakeholder consultations have taken place during the preparation of this project, across the spectrum of relevant stakeholders (private companies, relevant government institutions e.g. Agricultural Technical and Extension Service (AGRITEX), Department of Livestock Production and Development, Food and Nutrition Council, Department of Veterinary Services, farmers unions, donors and local and international NGOs, and the UN partners). A consultancy for the development of a food security strategy has been in the country in December and January and has facilitated the consultation and coordination.

The support to sustainable agricultural practices in crop and livestock production, small-scale irrigation and environmental protection will be implemented by international and national partners, such as the Farmer organisations, UN agencies, NGOs or Universities. The EU will prioritize a combination of international and local partners. The activities should actively involve the technical departments of the Government such as AGRITEX and others.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The project will be implemented in direct centralised management in accordance with Article 26 of Regulation (EC) No 215/2008 on the financial regulation applicable to the 10th European Development Fund.

Interventions related to the results 1, 2, 3 and 5 will be selected through a call for proposals, which will be open on equal terms to all natural and legal persons as well as international organisations.

Regarding the result 4, services contracts will be the method of implementation, with 5 service contracts expected to be concluded.

The change of management mode constitutes a substantial change except where the Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegatee body under, respectively, decentralised, joint or indirect centralised management.
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 10th EDF. 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 revised Cotonou Agreement.

2) Specific rules for 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 maximum possible rate of co-financing for grants is 90% of total eligible costs. Full financing may only be applied in the cases provided for 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 EDF.

4.3. Budget and calendar

The total project cost is estimated at EUR 24 600 000, all of which shall be financed from the 2012 – 2013 Ad Hoc Allocation from the 10th EDF B envelope in the framework of the revised ACP-EU Partnership Agreement. (All amounts in EUR)

Indicative timetable for launch of Call for Proposal:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finalisation of Guidelines</td>
<td>1st quarter 2013</td>
</tr>
<tr>
<td>Launch of Call for Proposal</td>
<td>1st quarter 2013</td>
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<tr>
<td>Evaluation of Proposals</td>
<td>2nd quarter 2013</td>
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<tr>
<td>Contracting</td>
<td>3rd quarter 2013</td>
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<tr>
<td>Categories</td>
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<tr>
<td><strong>Result 1:</strong> Smallholder farmers’ capacity to invest in sustainable practices in agriculture and natural resource management increased. (Grants/Contribution Agreement(C.A.)).</td>
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<tr>
<td><strong>Result 2:</strong> Demand driven and adapted research and extension services for sustainable practices in agriculture and natural resource management are stronger and more widely accessible. (Grants/C.A.)</td>
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<tr>
<td><strong>Result 3:</strong> Public Private and Community partnership are created across and within the agricultural sector through feasible agricultural or natural resource management investment plans at micro and macro level. (Grants/C.A.)</td>
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<td><strong>Result 4:</strong> Multi-stakeholder Food security sector thematic strategy and policy development are promoted and reinforced. Service contract</td>
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<tr>
<td><strong>Result 5:</strong> Small scale irrigation infrastructure for income generation through market oriented production systems are established or rehabilitated (Grant/C.A.)</td>
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<td></td>
<td>EUR</td>
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<tr>
<td>Evaluation (Service Contract)</td>
<td>250 000</td>
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<td>Audit (Service Contract)</td>
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<td>Communication/Visibility (Service Contract)</td>
<td>100 000</td>
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<tr>
<td>Contingencies</td>
<td>100 000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24 600 000</strong></td>
</tr>
</tbody>
</table>

The operational duration will be 60 months. The period of execution will be 84 months.

### 4.4. Performance monitoring

The overall follow up of the Project will be ensured by EU Delegation staff through regular field visits, bilateral meetings, review of reports and coordination meeting. Baseline surveys will be incorporated in grant contract, or if more of thematic nature, be funded under result 4, which will allow the EU, implementing partners and government to gather and consolidate data, tune in the overall logical framework and identify the most suitable actions needed for the project.

FAO to be funded under the Ad Hoc 2011 allocation as of January 2013, for coordination and monitoring (a continuation of the funding under FED/2009/224-565 ending December 2012) will ensure monitoring of progress of activities. Progress will be assessed against indicators identified in the project logical framework. An overall project comprehensive monitoring framework will be developed by the FAO together with the implementing partners of the Grant Contracts at the beginning of the project implementation. The framework will encompass regular meetings with stakeholders to check on progress against log frame and work plans, participation of FAO officers in the various activities to be implemented by implementing partners, field visits to specifically monitor beneficiary selection, input distribution and performance of inputs provided. To enhance transparency, a participatory monitoring and evaluation system will be put in place, which will entail beneficiaries working with FAO officers to monitor and evaluate project activities in their areas of operations.
The Commission may carry out Results Oriented Monitoring (ROM) via independent consultants, starting from the sixth month of project activities, which will be finalised at the latest 6 months before the end of the operational implementation phase.

4.5. **Evaluation and audit**

A EUR 250 000 budget has been set aside for the evaluation of the overall performance of the project, in order to assess its progress and performance as a whole, and its alignment with the EU Food Security Strategy and government priorities.

EUR 150 000 has been budgeted for audit.

4.6. **Communication and visibility**

Communication activities will focus on the outputs and impact of the project, targeting general and specific audiences in the country, as well as in the European Union. Organizations will incorporate in their respective websites information on the actions funded by the European Union. In Zimbabwe, organizations will endeavour to disseminate information on the action through local media, awareness meetings with stakeholders, seminars and workshops for learning and sharing of experience and/or similar events. In particular, organizations will ensure that relevant authorities are properly informed about the actions, and participate in local or national coordination forums. The beneficiaries of the grant contracts and contractors will comply with contractual obligations regarding visibility and communication and with the visibility guidelines of the EU, formulating a communication and visibility strategy for their action.

In addition the Commission will implement additional and specific communication and visibility activities for the amount of EUR 100 000.