ANNEX

1. **IDENTIFICATION**

<table>
<thead>
<tr>
<th>Title/Number</th>
<th>Integrated Program to achieve Sustainable Food Security (IP-SFS) FED/2011//023-262</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cost</td>
<td>EUR 6 000 000 10th EDF Contribution – B Envelope</td>
</tr>
<tr>
<td>Aid method / Method of implementation</td>
<td>Project approach – Joint Management with the Food and Agriculture Organisation of the United Nations (FAO)</td>
</tr>
<tr>
<td>DAC-code</td>
<td>52010 Sector Food security</td>
</tr>
</tbody>
</table>

2. **RATIONALE**

2.1. **Sector context**

2.1.1. **Macro-economic justification**

Over the past few years, Zimbabwe’s economy has been recovering following a major decline which peaked in 2008 and 2009. According to the 2011 National Budget Statement, the country experienced negative balance of payments, estimated at negative USD 725 million in 2008 and negative USD 1.908 billion in 2009, in addition to a high external debt. Due to fiscal constraints, the Government operated on a cash budgeting basis and thus committed to limit its expenditure within the national revenue collection which stood at USD 1.793 billion as of October 2010, excluding donor contribution, and projected to be USD 2.7 billion for 2011. Although budgetary allocation to capital expenditure improved from 18% in October 2010 to 20% projected for the 2011 fiscal year, the proportion was still far below the Government’s target and not adequate for significant recovery.

The Government undertook to take measures to gradually reduce the proportion of public service expenditure in the total budget, starting with a reduction from an estimated 2010 outturn of 54.5% to 45% in 2011 by implementing the recommendations of the Civil Service Audit. However, because of increasing revenues, the overall allocation to total remuneration (wage bill, pension, medical aid and social security) is set to increase from an estimated USD1 billion in 2010 to USD1.4 billion in 2011.

Despite the pressing need to increase Government expenditures, the Government has pursued a policy to re-constitute its external reserves. Deposits were expected to top USD400 million by the end of 2010 in addition to the USD 260 million Special Drawing Rights (SDR) allocation, which was kept untouched. This is in line with previous International Monetary Fund (IMF) recommendations. The level of financial reserves could mitigate economic risk but insufficient in case of a protracted crisis.

In absolute terms, a financing gap should not exist under cash budgeting. However, the Government budget in Zimbabwe recognises that the Government cannot meet essential social expenditures. Contributions from cooperating partners were estimated to be no more than USD 500 million for 2011. USD 70 million was said to be available from donors through the Multi Donor Trust Fund, but channelled outside the normal Government Budget.
Priority Expenditures:
The Government opted for two different programmes in the social and food security sectors that were integrated in the Government’s Vote of Credit projection for 2010, and which are priorities for the recovery of Zimbabwe as indicated in the 2010 Government Short Term Emergency Recovery Programme. In September 2009, the European Commission (EC/EU) adopted a Short-Term Strategy for supporting the crisis in Zimbabwe, endorsing the priorities identified in the Short Term Economic Recovery Programme (STERP) of the Government of National Unity (GNU)’s strategy for the stabilization of Zimbabwe. This Short-Term Strategy takes a coordinated approach to programming funding by all EU funding instruments. The Short-Term Strategy is now in its third phase, with an ad hoc decision making funds available for essential medicines, food security (cash/voucher, urban agriculture actions) and education. The support from the 2011 forth Ad-hoc Allocation is part of the 2011 Short Term Strategy of the EU’s support to Zimbabwe.

2.1.2. Specific sector context
Need and Rationale for Support to the Food Security and Agricultural Sector
According to the 2011 National Budget Statement, Agriculture had the highest contribution (15.5%) to Zimbabwe’s Gross Domestic Product (GDP) in 2009. During that year, the actual real GDP growth in the sector was 14.9% compared to a negative growth (-39.3%) in the previous year, 2008. The budget also projected agriculture to have the highest (33.9%) growth compared to other sectors in 2010 mainly as a result of estimated greater production in maize (34%), tobacco (110%), sugar (35%) and cotton (23%). Developments in the agricultural sector are pivotal to national development since the majority of Zimbabweans, nearly 70% of the population including the most vulnerable groups, live in rural areas and derive their livelihood mainly from farming. Agricultural production in Zimbabwe underwent nearly a decade of decline until 2008 mainly due to political and macro-economic constraints which combined with climatic shocks such as droughts, and underlying socio-economic factors such as poverty and high prevalence (estimated at 15.6% in 2007) of HIV/AIDS.

Since 2009, the Zimbabwe Government applied strategies which helped to stabilise the macroeconomic framework and to curtail hyperinflation thereby enabling local markets to become functional again and return to positive sector growth. This has resulted in a significant shift in approach to addressing sectoral challenges, e.g. donor assistance is moving away from relief programmes to longer term food security and livelihood recovery strategies with more and more focus on agricultural productivity. Many donors have supported the agricultural relief and recovery programmes in the country. The United Kingdom’s Department for International Development (UK-DFID) and the EU are among the main donors to these interventions, financing a total (in 2008-09) of 70 different implementing organisations for about USD 45 million as an average per year consistently since 2003. Other donors, who have contributed significant amounts to agricultural activities, include Australia, France, Germany, Japan, Ireland, Republic of South Africa (RSA), Spain, Swedish Government, the United States’ USAID/OFDA, and others. The EU has a comparative advantage to work in this sector due to its experience from current and past support in this sector. In line with the EU’s Short Term Strategy for Zimbabwe, an "EU Food Security Livelihood Recovery Framework for Zimbabwe" was developed in 2010 by the EU Delegation, in collaboration with European Commission headquarters (internal cuisine), the Government and other donors. The overall objective of this strategy/framework is to create an environment that is conducive to reducing the dependency of vulnerable rural households on humanitarian assistance and to sustainably increase resilience to food insecurity.
The causes of food insecurity

Low agricultural productivity and the high levels 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 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. As a result of some macro-economic and other adjustments at the national level, agricultural input and output markets are recovering from the decline. The availability of inputs has greatly improved at the national level. However, their accessibility by vulnerable farming populations is still limited due to high costs and in some instances, no or limited availability at the local rural outlets. Combined with inherently low fertility soils, soil nutrient depletion due to repeated cultivation with no or minimal replacement over the years, marginal rainfall, lack of or limited technical know-how and extension support, the poor access to inputs by smallholder households has contributed to low productivity and overall agricultural production in the sector. The situation has been worsened by the high unemployment levels, climatic shocks impacting on crops and livestock, livestock pests and disease outbreaks, and lack of access to capital which have all helped to erode household safety nets. Unlike commercial farmers who have collateral and therefore access to credit, the smallholder farmers have no or very limited access to finance markets hence their farming has remained largely subsistence, unsustainable and undiversified, often failing to meet basic household food requirements. All these factors, among many, have caused cyclical poverty and chronic food insecurity to a significant proportion of the rural population who depend on agriculture for livelihoods.

Within the EU Food Security Livelihood Recovery Framework for Zimbabwe, a project to improve the livelihoods of vulnerable rural smallholder farmers through improved agricultural productivity and marketing of produce is being proposed by FAO.

2.1.3. Population affected and targeting

Sustainable agricultural production (of both crops and livestock) remains the main element of food security for most of the rural population. Three broad categories of rural households in communal areas can be identified:

**Group A:** Poor rural families with no land and/or no labour resources; these households need to be supported through social safety nets rather than agricultural interventions.

**Group B1:** These households have access to land and labour and gain food security through cereal production and/or improved gardening or livestock interventions.

**Group B2:** These are emerging small holder farmers who, with some support, can increase agricultural productivity to achieve food security and improve livelihoods through increased cereal production and/or sale of crops and/or livestock.

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1 as defined by all stakeholders (Donors, UN agencies, Government and NGOs) working in the sector
Group C: Farmers in this category have the potential to enter into market linkage arrangements with the private sector and produce surplus and/or cash crops.

Based on stakeholder analysis and a review of its own capacity FAO will target the small scale rural farmers of categories B1 and B2 and C in the intervention. The intervention is expected to reach 20,000 households with 5,000 in group B1, 12,800 in group B2 and 2,200 in group C. Farmers supported in this intervention range from poor households (group B1), but with production capacity (land and labour), to emerging farmers with medium to high production potential, but cash and technical constraints (group B2). Also included are potential commercial small holder farmers, who through market integration could produce surplus, generate income and employment (group C).

The proposed project is envisaged to start in 2012, covering the 2012/2013 and 2013/2014 growing seasons. As a result, it is impossible at this stage to identify all the districts and specific communities. Contributing reasons are that harvests of the 2011/2012 season and resultant food security status in the various districts will partly influence the target areas for the B1 and B2 farmers. Through the agricultural coordination role of FAO, food insecure sites will be identified after the 2011/2012 harvest. For Group C farmers, targeting will partly depend on private sector activities in the 2011/12 season which, together with past experiences and lessons, will help to determine appropriate crop and small livestock interventions and sites for the project. Depending on the 2011/2012 season outcomes, it may be necessary to support households from all the eight provinces in the country. However, consultations with stakeholders will help to determine this while also taking into consideration the need to consolidate past and current efforts in only a few selected provinces.

2.2. Lessons learnt

Lessons learned over the last five years from pilot projects implemented in Zimbabwe by various non-governmental organizations (NGOs), the Farmers’ Unions and FAO in collaboration with the government of Zimbabwe highlight the fact that productivity, production and food security can be significantly improved in the communal areas if farmers receive appropriate input, training and extension support. Further lessons from market linkage projects also suggest that many smallholder farmers can effectively engage into contract farming schemes and boost their income generation from agriculture enterprises and promote farmers to "graduate" from the most vulnerable section of the rural population.

Large scale input distributions have been found to distort markets and cause them to be dysfunctional. In designing this proposal, consideration has been given to the promotion of market based approaches to input access by households.

Lessons have therefore been drawn from outcomes of the EU Food Facility Programme (EUFF), the Conservation Agriculture Union Project (funded by the EU), promoting market linkages and commercialisation of small holder farmers. Lessons from a Dutch supported programme implemented by FAO and partners where closed and open input vouchers with agro-dealers were used. These programmes successfully implemented, within a three months’ timeframe, innovative approaches such as bank debit card and mobile telephone short message service (SMS) voucher transactions, worth over Euros 7 million, which were redeemable at agro-dealer stores.
In addition, lessons from the 2010 evaluation of the EU supported FAO programme in Zimbabwe have also been taken into consideration. Those which are considered relevant for the project being proposed include the following:

- Need for strengthening appropriateness of support to beneficiaries through differentiating larger beneficiary groups according to specific needs criteria.
- Whole farm approach: Use of extension models that are less top-down, taking into consideration labour productivity, and the need for expanding 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 and improve small holder farmers the resilience to vulnerability factors, including climate variability and change
- Promotion of mechanized Conservation Agriculture to facilitate scaling up the area under conservation agriculture, per farm, for sustainability
- Need for devoting enough resources to supporting/strengthening of farmers institutions in order to achieve long term sustainability
- Support to institutional capacity development for Government extension services at provincial and district levels.
- Need to give more attention to small ruminants (especially goats) largely owned by small holders and vulnerable groups.

Lessons on the need to help protect smallholder households from adverse production conditions have also been taken into account. Initiatives from the 2010/2011 agricultural season demonstrated applicability of risk mitigation in smallholder farming through an index-based insurance scheme. A one season insurance cover for rural maize growing smallholder farmers was piloted by stakeholders\(^2\) in Zimbabwe with financial support on premiums from the Common Market for Eastern and Southern Africa (COMESA) and the private sector. This weather based index insurance, underwritten by a consortium of insurance companies and reinsurers, was tested in Chiweshe district with selected maize growing households (supported by FAO through Dutch funding) who were within a 20km radius from the Mvurwi Meteorological Station. The pilot used three critical maize growth stages (germination, vegetative and flowering) as trigger points for compensation if adverse weather occurred during such stages. The project which FAO is proposing with funding from the EU will build on this pilot and explore its expansion to other crops and small livestock, and will be implemented over two seasons.

The above lessons and other experiences have been used in formulating and designing the proposed project, e.g. determining the type of households to support, the type and extent of funding to different farmer groups, type and level of technical and extension support to be provided to the households, use of input market promoting and sustainable approaches in accessing inputs, and using contract farming as one way of linking households to input and output markets and household income generation.

\(^2\) These included eight direct insurance companies (Altfin insurance, RM Insurance, ZimnatLion Insurance, Tristar Insurance, Alliance Insurance, SFG insurance, Credsure Insurance and Jupiter Insurance. There was also participation of reinsurance companies these are Baobab reinsurance, Colonmade reinsurance, Tropical reinsurance, FBC reinsurance, FM reinsurance and ZB reinsurance); COMESA/ACTESA and Micro-Ensure who provided training to stakeholders; Government Departments (such as AGRITEX and the Meteorological Department), the Agricultural Partnerships Trust; CIMMYT.
2.3. Complementary Actions

The project being proposed follows an integrated approach to improving the food security of rural farming households who have the land and labour, and to some extent have improved technical know-how on farming through various capacity building initiatives. The main results from the project will be:

- Improved access to essential farm inputs through the local market for both crop and livestock producers;
- Improved agricultural production based on sustainable agricultural practices in crop and livestock production, small-scale irrigation and environmental protection (agro forestry);
- Improved income through surplus production sale and market linkages.

The proposed result areas complement other donor programmes. This project builds on past and current EU programmes and will facilitate stakeholders to continue refining the market-based approaches to accessing inputs and selling produce by smallholder farmers. Such approaches were piloted through interventions by the "Help" (Germany) programme (EUR 8 000 000) funded from the EU’s Food Security Thematic Budget Line 2010 allocation and is providing agro input to small scale farmers in high production areas (Natural Regions (NR) 1, II and III with better rainfall) of Zimbabwe. An FAO programme (EUR 7 000 000) funded from the first 2010 Ad Hoc allocation is targeting livestock inputs for the small scale farmers country wide. A component of this programme promotes contract growing for crop and livestock. The project will also benefit from the current FAO coordination activities on agriculture, funded annually by the USAID/OFDA and for the next 2 years by the EU, and support yearly crop and livestock assessments and agricultural information sharing as part of the early warning system in the country.

Two other EU programmes will also complement the proposed project. These are:

- **Support to recovery of the sugar sector for small scale farmers:** Guided by the sugar adaptation strategy, interventions of this nature are highly conditional upon the success of the land audit. Zimbabwe's Sugar Adaptation Strategy aims at restoring the sugar cane production capacity to its former level of 600,000 tons per annum.

- **Land reform and agrarian policies:** The EU foresees supporting a planned national land audit and further related studies should the land audit progress satisfactorily. This exercise aims at policy and constitutional reforms related to access to land and security of land tenure for all agricultural enterprises.

The Government’s 2011 budget indicates that there will be continued focus on provision of inputs to all categories of farmers. By building the capacity of extension staff in the target areas, the proposed project will help by improving extension support provided to some of the farmers who will receive input support from the Government.

Along the IP-SFS main result areas, EU support since 2009 is:

<table>
<thead>
<tr>
<th>IP-SFS</th>
<th>Support programme in terms seasonal inputs, implements, etc.</th>
<th>Associated extension agriculture and medium term support programme.</th>
<th>Coordination and institutional support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stabex 95 (2009-2010)</td>
<td>Crop support for the 2009 season - Physical input and vaccine for livestock</td>
<td>Livestock infrastructure – Pilot programme on conservation agriculture – agriculture trade.</td>
<td>Support to farmers union</td>
</tr>
<tr>
<td>9th EDF (2008-2011)</td>
<td></td>
<td>Small holder micro-irrigation programme</td>
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</tbody>
</table>
### 2.4. Donor coordination

An ad hoc multi-donor coordination mechanism for the sector is in place in Zimbabwe. FAO is facilitating this coordination platform through joint regular crop and livestock assessment surveys and the analysis of food security trends, and sharing the information widely. While a comprehensive sector strategy is yet to be developed for the group, a division of labour exercise was carried out under the donor coordination group to promote synergies and avoid duplication of efforts in this sector.

A matrix of the programmes (Annex 2) in the sector with a horizon of 2011-2013 has recently been developed and is coordinated by the EU. This exercise has provided a clear view on the division of support between donors and what is being considered in Government programming. The aim is to ensure that as much as possible, all categories of the rural farming population are not only "supported" but that programmes of support are interlinked in order to promote "graduation" of farmers from most vulnerable food insufficient, to food sufficient and, further, to producing excess produce for income generation. Coordination with Government on thematic areas such as seasonal support, extension services, market linkages, irrigation and land reform is on-going. A summary of the donor responsibilities in support of households as from the 2010/2011 agricultural season and onwards are as follows:

i. The provision of support to market linkages, contract farming arrangements, entrepreneurship in rural areas and rural agricultural programme funded by USAID, DANIDA, FAO (in cooperation with farmers Unions) and the Swiss Development Cooperation (SDC).

ii. The facilitation of access to farm inputs through a market based approach, providing support toward increased productivity and diversification of sources of income in rural areas. This will ensure a gradual shift in attention to improved productivity through "Good Agricultural Practices", both in the crop and livestock sub-sectors. Mainly implemented by the EU partners.

iii. Support to Irrigation funded by the Swiss Cooperation and the EU.
3. **DESCRIPTION**

Since the adoption of appropriate measures under Article 96 of the Cotonou Agreement by Council Decision 2002/148/EC as adapted by Council Decision 2011/106/CFSP, 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 to programs and projects in direct support of the population and the project is fully compliant with said provisions. The reorientation has also been encouraged by the progress achieved with the EU’s linking relief, rehabilitation and development (LRRD) approach and considering DG ECHO’s exit strategy from emergency food assistance.

This project, which forms part of the EU’s Integrated Program to achieve Sustainable Food Security (IP-SFS) which specifically aims at increasing the production of staple crops by vulnerable communal households during the 2012/2013 and 2013/2014 agricultural seasons. Looking at recovery, the project is part of a wider strategy (developed in consultation with relevant government institutions and stakeholders in the sector) of intensification, diversification and skill transfer, aiming at raising agricultural yields and productivity, and reducing area planted as well as farming costs and labour.

There two main components to the project are:

1. **Enable access to essential farm inputs through the local market with open vouchers for crop and livestock producers:**

   This will be achieved through the provision of essential inputs to smallholder producers. This contribution of EUR 6 000 000 from the 2010 ad hoc allocation is envisaged to be available during the tail-end of 2012 and complement other donor contributions such as (Dutch cooperation, USAID, Sweden, DFID) for the 2012/2013 and 2013-14 agricultural seasons.

2. **Support to sustainable agricultural practices in crop and livestock production, small-scale irrigation.**

   The main objectives of this component will be: increased production through improved agricultural practices, support to the livestock sector, irrigation, environmental protection, and extension services as well as support to sector policies. Further, there will be a risk mitigation measure against loss through an insurance cover that will be piloted with selected smallholder farmers.

3.1. **Objectives**

The overall objective of the project is to sustain and improve the livelihoods of vulnerable and emerging rural farming households in Zimbabwe and thus reduce their dependency on humanitarian assistance.

The project’s purpose is to improve production and productivity and - through this - improve food and nutrition security, as well as household incomes among the households.

The project will achieve its objectives through four key results/outputs targeted at facilitating access to agricultural inputs (crop and small livestock) by the beneficiary households and providing them with training and adequate extension support in production and marketing of crops and small livestock. Lessons learning and information and knowledge sharing will be
promoted. Through the project, there will be an increased proportion of households producing and marketing selected cash crops and small livestock for both household consumption and for sale. The project is also expected to contribute to improvements in household consumption patterns and to accumulate and protect productive assets (such as land preparation implements) and livestock holdings among households.

3.2. Expected results and main activities

Result 1: **20 000 vulnerable and emerging rural farming households** have improved access to quality crop (including cash crops) and small livestock inputs for household food production and/or income generation

**Activity 1.1:** Identify and select project stakeholders (agro-dealers for crop input and livestock supply, financial institutions to handle the payments, farming contractors, NGOs, AGRITEX, LPD, DVS, Ministry of Health (FNC), and Ministry of Social Welfare)

**Activity 1.2:** Identify, select and mobilize farmer beneficiaries who will be supported with inputs, technical expertise, extension and marketing

**Activity 1.3:** Set up an appropriate procurement system for the various farmer categories (e.g. voucher or debit card system with selected financial institutions for the Group B1 and B2 farmers, and direct purchase by FAO for Group C farmers)

**Activity 1.4:** Conduct inception workshops for the IPs and, Government departments, and the private sector on objectives, key elements of the project (e.g. conditions, admin, logistics, finance, selection, M&E, etc.) and other implementation modalities

**Activity 1.5:** Distribute vouchers/debit cards and/or inputs to the vulnerable and emerging rural farming households and ensure that the households procure crop and small livestock inputs

**Activity 1.6:** Ensure that beneficiaries plant using the crop inputs and/or establish their livestock enterprises

Result 2: **Beneficiary farmers** are trained, receive adequate extension support, have improved farming and marketing knowledge and apply good agricultural practices

**Activity 2.1:** Identify and select trainers on crop and livestock production, Good Agricultural Practices (GAPs), business skills and management, HIV/AIDS and nutrition, and contract farming and marketing

**Activity 2.2:** Develop and/or multiply suitable training and extension resource materials and distribute them to extension staff and farmers as appropriate

**Activity 2.3:** Select and train field extension staff from AGRITEX, NGOs, LPD, FNC and lead farmers and provide (or facilitate) them with appropriate backup support (logistical, transport and others)

3 Department of Livestock Production and Development
4 Department of Veterinary Services
5 Food and Nutrition Council
Activity 2.4: Establish and manage demonstration sites (including gardens) for selected crop and small livestock interventions at strategic sites and develop radio based episodes for use in awareness and education/training activities

Activity 2.5: Establish new or identify existing community farmer groups and strengthen them

Activity 2.6: Train the selected beneficiary farmers (on all relevant aspects of agricultural production, harvesting and post-harvest management, marketing, nutrition and HIV/AIDS and provide them with timely and adequate extension support

Activity 2.7: Train agro-dealers on handling and marketing of agricultural inputs and supplies, and on other business management skills

Activity 2.8: Support the contracted farmers (in Group C) to sell their agricultural produce and products

Activity 2.9: Conduct community nutrition campaigns to promote optimum nutrition for children and families

Result 3: Pilot insurance scheme for emerging smallholder rural farming households tested and evaluated

Activity 3.1: Identify and select IPs (NGOs with insurance expertise; Insurance Companies; Research Institutions to provide detailed data on specific-selected commodities; Government departments e.g. extension and meteorological services) to expand on the existing and/or design a new smallholder farmer insurance scheme

Activity 3.2: Draw and build on lessons from the existing smallholder farmer insurance scheme in Zimbabwe and relevant ones from outside the country; determine and quantify premiums, appropriate triggers for compensation, trigger exit points, and payment rates

Activity 3.3: Raise/create stakeholder awareness/orientation on the smallholder farmer insurance program and share the lessons from existing initiatives on smallholder insurance initiative

Activity 3.4: Mobilize farmers to sign up for the pilot insurance scheme and undertake regular (or upon demand) assessments during the project period

Activity 3.5: Ensure that relevant data (e.g. rainfall) is collected and analysed to determine if there are any triggers for payment based on the insurance cover plan

Activity 3.6: Regularly review performance of the scheme(s) and make necessary adjustments for season 2 and beyond

Result 4: Project impacts assessed/evaluated, lessons learned and best practices documented and disseminated

Activity 4.1: Conduct training to build the capacity of stakeholders on M&E principles and practice (including participatory M&E) and develop an M&E framework for the project

Activity 4.2: Conduct detailed baseline, post planting, pre-harvest, and post-harvest surveys for crops and livestock assessments in the project sites

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6 Index based insurance schemes will be promoted

7 Preferably within a radius of 20km from a weather station for applicability of weather data
**Activity 4.3:** Develop Terms of Reference, identify and recruit consultants to conduct studies on best practices for the project interventions

**Activity 4.4:** Arrange and conduct an independent mid-term and end of project review/evaluation to measure project impact, using the baseline data collected

**Activity 4.5:** Disseminate project findings widely through various fora and platforms, and facilitate reflective learning as well as informing and influencing future guidelines by the ACWG

### 3.3. Risks and assumptions

According to the United Nations security classification, Zimbabwe is under Phase 1 security category and certain uncertainties prevail politically. There is some possibility (risk) of an election, which could (as in the past) impact on NGO movement and result in implementation delays due to limited access to the field. In the event that field operations are interrupted (officially by the Government or for security reasons), FAO will consult with the donor (EU) and discuss the appropriate course of action in terms of any operational changes and adjustments to be made to the project.

For successful implementation of the project and achievement of its objectives, the following assumptions have been made:

- Timely start to the project – Project Standard Contribution Agreement signed and funds released on time
- Access to all project districts: Political environment continues to be stable and allows all stakeholders to operate effectively
- No extreme shocks occur to undermine the project, e.g. economic decline, HIV/AIDS epidemic, natural disasters e.g. drought or floods, or major crop and livestock pests and diseases
- Participation of all stakeholders, including communities, and agreement on the goals and project objectives
- Timely availability of inputs for purchase by households and also timely delivery of the inputs by FAO and private sector where no direct purchase by farmers will be done
- Effective use of inputs by the farmers
- Effective rains are received on time and erratic rainfall does not imply extended dry spells with loss of crops
- Private sector companies continue to be willing to engage farmers and both farmers and contractors honour their contractual agreements
- Stable political environment
- Continued involvement of private sector in input and output marketing

An exit strategy has been built into the project design and will be further refined at the beginning of the project and communicated to all stakeholders. The following steps have been considered in the exit strategy:

**Sustaining input/output supply beyond the project:**

The project seeks to strengthen and stimulate input markets by promoting commercial pathways for input access by the project and other households during and after the project period. The project will enhance the capacity and competitiveness of agro-dealers, to handle and manage agro-based inputs and commodities by training. Participation of the private
sector in the project is expected to enhance buyer-seller relationships and conduct, to stimulate, improve and stabilize input availability during and beyond the project.

**Empowering households to make suitable and informed decisions and to negotiate:**
By allowing households to make suitable choices on the types of enterprise to engage in, the project will help to facilitate ownership, reduce the risk of neglect to the inputs, and increase the chances of success.

**Supporting smallholder farmers to increase income generation from agriculture and making their livelihood more resilient to shocks:**
Besides improving household food security, the project emphasizes on household income generation through farming. The project will increase and help to sustain higher agricultural productivity, production and marketing. This will increase output and profitability from smallholder farming thus reducing dependence of households on external humanitarian assistance

**Risk mitigation in smallholder farming**
The linkage provided by the project between farmers and the insurance industry in the country is expected to span beyond the project for mutual benefit

**Impacts of the project on future programmes and policies:**
This project is an example in Zimbabwe where a sustainable pathway to rural development through agricultural investment, diversification and expansion will be promoted

Beyond the duration of the project, reduced level of support will be envisaged in the project sites, for example to i) assist the extension staff and farmers on specific technical needs, ii) address arising challenges and secondary matters that may emanate from the project activities, iii) refine the debit card system for input support and explore future options for smallholder farmer financing, iv) facilitate horizontal expansion of the successful models e.g. promoting B1 and B2 farmers to graduate into contract farming, and to v) undertake long term studies on the impacts of the project in order to inform policy and other programmes. The findings from the project will certainly contribute to formulation of broader long term national agricultural development and related investment frameworks in the future. These will entail and require longer term support.

### 3.4. Crosscutting Issues

The economic crisis and HIV/AIDS have strongly affected the Zimbabwean population. At present treatment for HIV/AIDS and other major diseases is scarce. With average national stunting levels at 33.8%, malnutrition remains a major challenge to child growth, survival and development in Zimbabwe. Stunting rates have been rising at an alarming rate over the past decade, even in some high cereal production areas such as Hurungwe and Mazowe. A combination of limited dietary components and lack of information and knowledge on how to use locally available foods to improve dietary diversity are contributing factors. If not addressed, malnutrition rates will reach critical levels in the next five to ten years and under-nutrition is likely to contribute to more than 12,000 child deaths each year. The project will seek to coordinate, where possible, its activities with Non-Governmental Organisations (NGOs) that are providing health and nutritional assistance. Nutritional and HIV/AIDS campaigns and education events will be held in the project sites. In addition, demonstrations on nutrition, e.g. involving different food preparation methods, will be done using the animal products and other locally available foods, including fruits and vegetables, to complement the diets. The small livestock activities will help especially women, who are generally the member of the household most responsible for these activities.
The environmental situation in Zimbabwe has rapidly declined over recent years. The environmental sustainability of an annual input programme is difficult to assess, but the dissemination of Good Agricultural Practices (GAPs) such as conservation farming and other land management practices will lead to improved environmental management.

3.5. Stakeholders

Considerable stakeholder consultations have taken place during the preparation of this project, this has been carried out across the spectrum of relevant stakeholders (private companies, relevant government institutions e.g. 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. FAO has facilitated the consultation and coordination through the Agriculture Coordination Working Group (ACWG)

Beneficiary farmers will implement the crop and small livestock interventions. They will be responsible for procuring the inputs from agro-dealers and manage the interventions on a day to day basis. Implementing Partners (NGOs, farmers unions) in conjunction with AGRITEX, LPD and DVS will be responsible for site selection, selection and supervision of consultants, community mobilization and training, and of crop, small livestock and land management activities by the beneficiary households. Rural agro-dealers will make agro inputs available in project areas for Group B1 and B2 farmers. FAO will procure 50% of the inputs for Group C farmers. The respective contracting private sector companies will procure the other 50% for Group C farmers and contract them to grow specific crops and small livestock.

Banks and/or financial institutions will implement the debit card systems for the Group B1 and B2 households and support revolving procurement schemes for Groups B2 and C farmers (Group C farmer revolving scheme will also be implemented by the contractors). Extension workers and lead farmers will supervise technical implementation by the B1 and B2 households, provide day to day extension work and training to farmers at field level and supervise field operations and quality implementation by the B1, B2 and C households. FAO will coordinate the project, provide global supervision and financial management of the project, and maintain relations with donor. FAO will also provide overall quality assurance to the project through technical, operational and reporting support. Through its coordination role in the agriculture sector, FAO will support wide dissemination of the findings through the Agricultural Coordination Working Group (ACWG).

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

The project will be implemented under joint management through the signature of an agreement with an international organisation, Food and Agriculture Organisation of the United Nations (FAO), in accordance with Article 29 of the Regulation (EC) No 215/2008 on the financial regulation applicable to the 10th European Development Fund. The international organisation complies with the criteria provided for in the applicable Financial Regulation. The cooperation with FAO is covered by the Financial and Administrative Framework Agreement (FAFA), concluded between the European Commission and the United Nations."
4.2. Procurement and grant award procedures

All contracts implementing the action are awarded and implemented in accordance with the procedures and standard documents laid down and published by the relevant International Organisation.

4.3. Budget and calendar

<table>
<thead>
<tr>
<th>Description of costs</th>
<th>Total in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution Agreement with FAO</td>
<td>5,960,000</td>
</tr>
<tr>
<td>Indicative activity breakdown of conservation</td>
<td></td>
</tr>
<tr>
<td>agriculture:</td>
<td></td>
</tr>
<tr>
<td>Result 1: Input procurement and delivery</td>
<td>3,180,000</td>
</tr>
<tr>
<td>Result 2: Training and extension support</td>
<td>1,820,000</td>
</tr>
<tr>
<td>Result 3: Pilot insurance scheme</td>
<td>198,000</td>
</tr>
<tr>
<td>Result 4: Monitoring, impacts assessment,</td>
<td>320,000</td>
</tr>
<tr>
<td>lessons learning and sharing</td>
<td></td>
</tr>
<tr>
<td>Communication/Visibility</td>
<td>52,000</td>
</tr>
<tr>
<td>Operating costs</td>
<td>390,000</td>
</tr>
<tr>
<td>Evaluation</td>
<td>40,000</td>
</tr>
<tr>
<td>Total</td>
<td>6,000,000</td>
</tr>
</tbody>
</table>

The estimated operational duration is 24 months, followed by a 24 months closing period. The implementation will start upon signature of the EU Contribution Agreement.

4.4. Performance monitoring

Monitoring of project progress will be carried out by the Food and Agriculture Organisation (FAO) Monitoring will be against indicators identified in the project logical framework.

A comprehensive monitoring framework, incorporating the log frame components and procedures and processes to their monitoring, including participatory approaches, will be developed by FAO together with relevant stakeholders at the beginning of the project. 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 realised 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.

4.5. Evaluation and audit

Evaluations will be organised according to the provisions of sections 1.2 – 1.4 of the European Commission -United Nations Financial and Administrative Framework Agreement (FAFA). Independent evaluations funded from the project budget will be conducted under the overall managerial responsibility of FAO’s Office of Evaluation. In accordance with section
1.3 of the FAFA, the European Commission may undertake separate evaluation missions on its initiative. It may also undertake External Results Oriented Monitoring missions.

4.6. Communication and visibility

In accordance with the relevant provisions under the FAFA, visibility actions for this project will be developed following the Joint Visibility Guidelines for EU-UN Actions in the Field, issued in April 2008. 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.

Communication actions will be aligned with FAO’s corporate communication strategy and benefit from the existing expertise and facilities of the Organization’s Communications Division.