

Zimbabwe

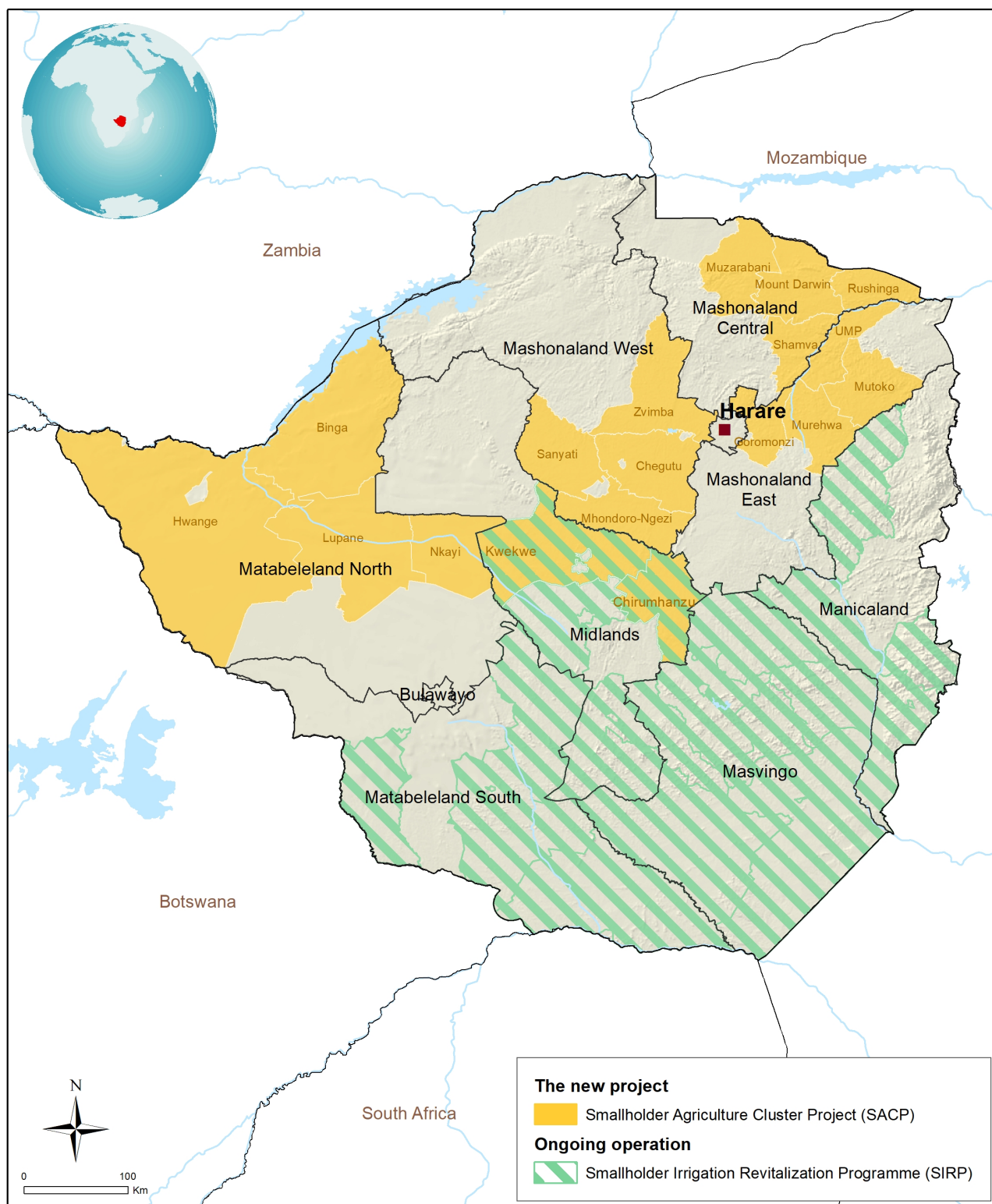
Smallholder Agriculture Cluster Project Project Design Report

Main report and annexes

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East and Southern Africa Division
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Map of the Project Area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 02-09-2020

Abbreviations and Acronyms

4Ps	Public-Private-Producer Partnerships
ADPCG	Agricultural Development Partners Coordinating Group
AfDB	African Development Bank
Agritex	Dept of Agriculture, Technical and Extension Services
APG	Agricultural Production Group
ASAP 2	Adaptation for Smallholder Agriculture Programme
AWPB	Annual Work Plan and Budget
AVANTI	Advancing Knowledge for Agricultural Impact
BDS	Business Development Services
BMGF	Bill and Melinda Gates Foundation
CA	Conservation Agriculture
CCA	Climate Change Adaptation
CAADP	Comprehensive Africa Development Programme
COSOP	Country Strategic Opportunities Programme
COMESA	Common Market for Eastern and Southern Africa
CC	Climate Change
CCMD	Climate Change Management Department
CI	IFAD's Core Indicator
CLPE	Country-Level Policy Engagement
CNAs	Core Nutrition Actions
CSA	climate smart agriculture
DDF	District Development Fund
Dol	Department of Irrigation
DoM	Department of Mechanisation
DSF	Debt Sustainability Framework
EMA	Environmental Management Agency
EMP	Environmental Management Plan
GALS	Gender Action Learning System
GDP	Gross Domestic Product
GNI	Gross National Income
GCF	Green Climate Fund
GoZ	Government of Zimbabwe
FM	Financial Management
Ha	hectare
HDI	Human Development Index
ILO	International Labour Organisation
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
IPSAS	Public Sector Accounting Standards
IPRM	Integrated Project Risk Matrix

JPMU	Joint Project Management Unit
KM	Knowledge Management
LE	Lead Enterprise
M&E	monitoring and evaluation
MCCRA	Multi Country Climate Risk Assessment
METH	Ministry of Environment, Tourism and Hospitality
MFI	Microfinance Institution
MLAWRR	Ministry of Lands, Agriculture, Water and Rural Resettlement
MYSR	Ministry of Youth, Sports and Recreation
ME	Microenterprise
MSME	Micro, Small and Medium Enterprise
MoFED	Ministry of Finance and Economic Development
MTR	Mid-Term Review
MWACSMED	Ministry of Women Affairs, Community, and SME Development
NAO	National Audit Office
NAPF	National Agricultural Policy Framework
NEPAD	New Partnership for Africa's Development
NDC	National Determined Contribution
NPMU	National Project Management Unit
OFID	OPEC Fund for International Development
PCR	Project Completion Report
PDO	Programme Development Objective
PDR	Programme Design Report
PIM	Project Implementation Manual
PPIU	Provincial Project Implementation Unit
PRIME	Programme in Rural Monitoring & Evaluation
PFMS	Public Financial Management System
PS	Permanent Secretary
PCU	Project Coordination Unit
PMU	Project Management Unit
PSC	Project Steering Committee
RC	Resident Coordinator
RDC	Rural District Council
RTGS	Real Time Gross Settlement
SA	Special Account
SACP	Smallholder Agriculture Cluster Project
SADC	Southern African Development Community
SDG	Sustainable Development Goal
SECAP	Social Environment and Climate Assessment
SIRP	Smallholder Irrigation Revitalization Programme
SBCC	Social and Behaviour Change Communication

SME	Small and Medium Enterprise
SO	Strategic Objective
SSTC	South-South Triangular Cooperation
TAC	Technical Assessment Committee
TOC	Theory of Change
TOT	Training of Trainers
ZTSP	Transitional Stabilisation Programme
US\$	United States Dollar
VC	value chain
WB	World Bank
WCDI	Wageningen Centre for Development Innovation
WDF	World Food Programme
ZTSP	Zimbabwe Transitional Stabilisation Programme
ZUNDAF	Zimbabwe United Nations Dev. Assistance Framework

In line with IFAD11 mainstreaming commitments, the project has been validated as:

☒ Gender transformational ☒ Youth sensitive ☒ Nutrition sensitive ☒ Climate finance

IFAD Adaptation Finance	\$14,061,000
IFAD Mitigation Finance	\$0
Total IFAD Climate-focused Finance	\$14,061,000

Executive Summary

Economic and social context. Before 2000, Zimbabwe was one of the strongest economies in sub-Saharan Africa, with diversified industrial and agricultural sectors, and an extensive agro-processing industry. However, a series of political and economic crises, over the past 20 years, have resulted in major economic setbacks. Zimbabwe is classified as a low middle-income country, with its gross national income per capita at US\$ 2,661 in 2018, which is still below the 1990 level. As Zimbabwe's economy has contracted, social indicators have deteriorated, with an estimated 8 million people (more than half of the population) expected to be food insecure in 2020^[1]. Zimbabwe continues to rank amongst the top 10 most fragile countries in the world. As a result of the impact of COVID-19, GDP growth is projected to continue to contract by about 10 per cent in 2020, with modest growth starting only in 2021. Seventy-six per cent of rural households are currently classified as poor, which is high.

Agricultural Sector. Agriculture underpins Zimbabwe's economic growth, food security and poverty reduction, with approximately 70 per cent of the population depending directly or indirectly on agriculture as a source of livelihood. Challenges, which hamper Zimbabwe's agriculture and rural transformation include: (i) climate change (CC) related water scarcity; (ii) limited access to agricultural finance; (iii) input shortages (including seeds, fertiliser and fuel); (iv) pest and disease outbreaks; (v) low and unstable producer prices; (vi) unsupportive regulations; (vii) deteriorating transport and market infrastructure; (viii) under-resourced research and extension services; (ix) poor farming practices; (x) gender and age disparities in land allocation; (xi) land tenure insecurity; and (xii) declining soil fertility. These contribute to low smallholder crop and livestock productivity.

Smallholder Agricultural Policy. In the past two decades, agricultural policy has been inconsistent and has not supported sustained rural growth. Since 2018, the Government of Zimbabwe's (GoZ) strategy has focused on efforts to commercialise smallholder agriculture. This includes: (i) organising smallholders into groups and associations and eventually converting them into small and medium enterprises (SMEs); (ii) connecting farmers and their groups into profitable value chains (VCs) and markets; (iii) facilitating contract farming along profitable VCs; (iv) developing smallholders' capacity in marketing and business skills; (v) revitalising infrastructure, including marketing and agro-processing hubs; (vi) promotion of climate smart agriculture; and (vii) strengthening of income pathways for improved food security and nutrition.

Lessons learned. Key lessons from IFAD's interventions in Zimbabwe as well as other development projects in the country include: (a) public sector driven VC projects have proven to be ineffective and costly; (b) building VCs around private lead companies has provided better results; (c) financial sector continues to face major challenges and is unable to effectively finance VC development, (d) business development services (BDS) and capacity building, including climate-smart agriculture (CSA) promotion, are required elements in any smallholder development programme; (e) enhancing the climate change resilience of the smallholders requires a holistic approach starting with risk identification, tailored adaptation options and resources for investment to adopt proposed technologies and techniques and (f) successful women and youth inclusion requires special project-resourced and focused strategies.

Project rationale. To transform smallholder agriculture and increase productivity and rural incomes, both the GoZ's and IFAD's respective strategies promote the establishment of smallholders into well-governed and well-functioning cohesive groups and associations; connecting them to profitable VCs, markets and financial services; developing smallholders' capacity in climate smart production, marketing and business skills; and revitalising market access infrastructure. This joint vision forms the core of the rationale for the Smallholder Agriculture Cluster Project (SACP).

If the SACP proves to be successful, it can provide a robust framework for designing future IFAD-supported projects in Zimbabwe, using a programmatic approach.

Goal and development objective. SACP's goal is: *"Increased household incomes and improved nutrition, through sustainable transformation of the smallholder farming sector"*. The Project Development Objective of SACP is: *"To increase smallholder participation in market-oriented and climate-smart value chains"*.

Project area. SACP will be implemented in five out of the ten country's provinces: Mashonaland Central, Mashonaland East, Mashonaland West, Midlands and Matebeleland North. Within these five targeted provinces, SACP will be implemented in 18 out of the 60 rural districts, covering around 400 wards (out of total of 1,552). The districts in the Midlands province overlap with IFAD-supported SIRP targeted districts, in order to promote lesson learning between the two interventions. The wards will be further organised into production clusters to allow for effective aggregation and economies of scale in smallholder-based VC development. The clusters will be confirmed through viability assessments and community consultations to ensure potential for sustainable and inclusive value chain development. All SACP activities will thereafter focus on the development of value chains in the target clusters.

Target group. SACP will implement an inclusive targeting strategy to ensure project benefits to a large number of poor smallholder farmers. The main benefit flow will be derived through the mobilisation of 800 Agricultural Production Groups (APGs) from the targeted communities. Around 24,000 low-income beneficiary households will be members of these APGs and receive capacity building and financial services from the project to further develop their livelihoods. An additional 24,000 labourers will benefit from employment opportunities created by APG investments. The SACP support to micro, small and medium enterprises (MSMEs) and

Value Chain Lead Enterprises (VCLs) is estimated to directly impact around 15,240 additional (non-APG members) beneficiary households, and 13,000 of the APG members will benefit from the generated supply chain and employment and opportunities, through VC development by MSMEs and VCLs. Around 30,000 beneficiaries will benefit from irrigation, water supply, sanitation and access roads infrastructure, out of which 50 per cent will account for direct beneficiaries (15,000 beneficiary households). The total SACP VC support is projected to target approximately 78,240 households, corresponding to 391,200 household members^[2]. The SACP's primary target group in all project activities, including matching grants to APGs, will include a minimum of 50 per cent women and 30 per cent youth (aged 15 to 35 years).

SACP's indirect target group is estimated to be 45,000 households, which includes in particular the villagers, who live in direct vicinity of the supported agribusinesses and rural road construction sites but are not immediately part of the SACP VC production systems.

Components and Activities. SACP's activities are articulated around four mutually interdependent components: Component 1: Inclusive VC Development, Component 2: Climate Proofed VC Infrastructure, Component 3: Policy and Institutional Support and Project Coordination, and Component 4: Contingency Emergency Response.

Component 1: Inclusive Value Chain Development. Although the skills level and agricultural sector potential in Zimbabwe are among the highest in Africa, the country's gaps in smallholder-based value chain organization result in low productivity. Challenges persist in commercial smallholder production systems, and the financial sector is unable to channel urgently required financing for investments by smallholder farmers and agribusinesses. Component 1 of SACP, which is the project's key investment component, is designed to address these challenges through the following sequence of key activities: (i) Call for VC Lead Enterprise Expressions of Interest; (ii) Identification of SACP Production Clusters within the target districts; (iii) Mobilization of Agricultural Producer Groups and Agribusinesses for VC upgrading; (iv) Technical services to APGs and Agribusinesses for upgraded production capacity; (v) Business planning and competitive selection of matching grant recipients; and (vi) APG and Agribusiness investments to upgrade the VCs.

Component 1 activities are organized under three inter-linked sub-components: 1.1: Expressions of Interest, Cluster Identification and VC Mobilization, 1.2: Technical Services for APGs and Agribusinesses, and 1.3: Financing for Inclusive Value Chain Investments.

Sub-component 1.1: Cluster Identification and VC Mobilization. This sub-component's expected results are: (i) eight (8) smallholder production clusters identified, (ii) 800 farmer groups mobilized and organized, and (iii) 200 microenterprises and 40 VC lead enterprises identified and mobilized.

Sub-component 1.2: Technical Services for APGs and Microenterprises. The projected results of this sub-component are: (i) 800 APGs received BDS and are able to complete bankable climate smart business plans, (ii) 200 Agribusinesses received BDS and are able to complete bankable business plans, which comply with Environmental, Social and Governance (ESG) standards, and (iii) 800 APGs implement CSA practices. The technical services will target APGs and Agribusinesses identified through Subcomponent 1.1. A balanced gender inclusion will be ensured in the targeting of services, and special attention will be given to the rural youth.

Sub-component 1.3: Financing for Inclusive VC Investments. SACP will co-finance, through a competitive selection process, privately owned and managed investments by smallholders and agribusinesses for VC upgrading. Matching grants (MG) will be made available in three categories, whereby the expected results include: (i) US\$16 million of competitive co-investments with 800 APGs; (ii) US\$4.4 million of competitive co-investments with 200 rural microenterprises; and (iii) US\$2.5 million of competitive co-investments with 40 VCLs. In addition, a US\$-denominated Line of Credit worth US\$2.5 million will be established at a selected financial institution, to initiate access to commercial bank finance by those SACP's partner VC Lead Enterprises that operate in the export sector and have adequate hard currency revenues for loan repayment.

Component 2: Climate Proofed Value Chain Infrastructure. This component's objective is to improve irrigation water supply and management, domestic water supply, and local level feeder roads, to facilitate the commercialisation of smallholder agriculture. The implementation of activities under this component will encourage private sector investments in SACP areas, promote the production and marketing of large quantities of quality produce and reduce the time and cost of transport to the markets. The component will consist of two sub-components: Participatory ward level infrastructure investment planning (Sub-component 2.1), and Climate proofed infrastructure investments (Sub-component 2.2).

Component 2 will invest in public and semi-public infrastructure. VC infrastructure to be financed by the private sector will be supported under Component 1. The expected results of this component include: (i) prioritised ward level community infrastructure investments identified through participatory stakeholder consultations; (ii) approximately 1,780 ha equipped with improved irrigation systems; (iii) 150 km of roads rehabilitated and climate proofed; and (iv) 100 wards with improved water supply and sanitation facilities.

Component 3: Policy and Institutional Support and Project Coordination. This component is divided into two sub-components: 3.1. Policy and Institutional Support and 3.2. Project Coordination.

Sub-component 3.1: Policy and Institutional Support The purpose of Sub-component 3.1 activities is to support the efforts to create a conducive policy and institutional environment for private sector-led smallholder agriculture transformation in Zimbabwe. Specialists will be recruited to develop relevant knowledge products, policy proposals as well as investment opportunity papers and briefs on new, promising crops and commodities. Based on the accumulated knowledge and information, policy dialogue and other discussion forums and events will be organised, aiming particularly at the development of action-oriented plans to support the diversification and commercialisation of smallholder agriculture.

Sub-component 3.2: Project Coordination The Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR) will be the Lead Agency for the implementation of SACP, with the Permanent Secretary (PS) of this Ministry as the responsible officer. MLAWRR will establish a Joint Management Unit (JMU), which will include the functions of both the Project Coordination Unit (PCU) of the SGRP project and the National Project Management Unit (NPMU) of SACP. A joint Project Steering Committee (PSC) will be constituted for SGRP and SACP, chaired by the PS of MLAWRR.

In order to manage the field operations, SACP will establish four Provincial Project Implementation Units (PPIU). At the district level, implementation will be carried out through the Department of Agriculture, Technical and Extension Services' (Agritex) extension network, which has implementation teams in all the 16 districts covered by SACP. The district level field operations will be supported by SACP-resourced staff from other public institutions and private sector service providers.

Component 4: Contingency Emergency Response. Given the recurrent weather extremes in Zimbabwe, in particular droughts, this component has been included to enable IFAD to respond urgently in its support to smallholder farmers, who are the most impacted. Specifically, this component, which has not been costed at design, is expected to facilitate and expedite the implementation of level-2 project restructuring, in the event of an emergency or disaster.

Social, Environment and Climate Assessment. The environmental and social categorisation of SACP is B, as activities will be in non-sensitive areas and mainly consist of small-scale infrastructure related investment. The potential negative impacts are mostly reversible and can be managed with site specific plans that will be elaborated. The climate risk classification for SACP is high with the main climate change risks identified as droughts, floods and increasing temperatures. The target beneficiaries have low adaptive capacity and geographic area includes agro-climatic zones where periodic crop failures occur due to mid-seasons dry spells and delayed commencement of rain. A detailed climate change vulnerability analysis has articulated adaptation options that will build the resilience of the target beneficiaries.

Project costs and financing. SACP's total costs for the planned six-year project period (2021–2026) are budgeted at approximately US\$67.4 million. An IFAD loan will finance US\$35.69 million or 52.9 per cent of total project costs. From the IFAD financing, US\$14.061 million (39 per cent) will be dedicated to climate financing. The OPEC Fund for International Development (OFID) will finance US\$15 million of Component 2 (Climate Proofed Value Chain Infrastructure). The smallholders (APGs' members) will finance US\$4.2 million or six per cent of the total project costs. The agribusiness sector will finance US\$7.2 million or 11 per cent of the total project costs. Co-financing from the beneficiaries and the private sector will be under the Sub-component 1.3: Financing for Inclusive VC Investment. The Government will finance US\$4.6 million in the form of shared costs for Component 2 (Climate Proofed Value Chain Infrastructure) and Component 3 (Institutional Support and Project Coordination), as well as taxes and duties, comprising seven (7) per cent of the total project costs.

Financial and economic analysis. Four illustrative APG farm models have been developed to examine the financial viability of the MG investments. All farm system types examined were found financially viable. Incremental returns to incremental labour provide a sound incentive for household production as well as an argument against outmigration of labour. The overall SACP project economic internal rate of return (EIRR) is 25 per cent. The estimated economic net present value (ENPV) at a 10 per cent discount rate is US\$56.5 million. The benefit-to-cost ratio (BCR) of 2.4 implies a return of US\$2.40 for every dollar invested. These results indicate that SACP is a sound investment yielding a positive rate of return as the EIRR greater than the hurdle rate (10 per cent) and the ENPV is greater than zero. An examination of the response of the project to drought reveals it remains viable in the face of multiple short and medium drought sequences (EIRRs of 16.9 and 12.0 percent respectively). The project becomes unviable with a severe and persisting longer-term drought (EIRR of 6.3 percent), but it is important to recall that historical trends and projections in do not foresee such a long-term weather shock for Zimbabwe.

Implementation Readiness and Start-up Plans. A draft Project Implementation Manual (PIM) has been prepared. In addition, a draft Annual Work Plan and Budget (AWPB) and a draft procurement plan (PP) have been prepared for the first 18 months of project implementation, as part of the SACP design process. These documents aim to ensure that the project implementation starts, without unnecessary delays during the first year of the project. The JMU with SIRP is expected to speed up the project start-up. The comprehensive guidelines and detailed procedures agreed for the first call for APGs and agri-enterprises to participate in SACP activities also aim at a fast and smooth start of the SACP implementation, immediately after project effectiveness.

1. Context

A. National context and rationale for IFAD involvement

a. National Context

1. **Economic and Social Context.** Zimbabwe covers a land area of 390,757 square kilometres and its population was estimated at 14.64 million in 2019, which is projected to grow to over 30 million by 2050. From the country's 39.6 million hectares (ha) of land, about 42 per cent is utilised for agriculture. Approximately 365,000 ha of land are suitable for irrigated agriculture, but less than half of this is currently equipped with irrigation facilities. Forests comprise 38 per cent of land and include both indigenous forests and plantations.^[3]
2. Before 2000, Zimbabwe was one of the strongest economies in sub-Saharan Africa, with diversified industrial and agricultural sectors, and an extensive agro-processing industry. However, a series of political and economic crises, over the past 20 years, have caused major economic setbacks. On the macroeconomic front, these setbacks include hyperinflation in 2009, 2018 and 2019; banking crises in 2015 and in 2019/20; a lack of independent monetary and exchange rate policies; continued limited access to international capital; at least three currency reforms; as well as escalation of public debt and liabilities.
3. Zimbabwe is classified as a low middle-income country (LMIC). Its gross national income (GNI) per capita declined from US\$2,693 (1990) to US\$ 1,698 (in 2010), before increasing to US\$2,661 in 2018, which is still below the 1990 level. This notwithstanding, its 2018 Human Development Index (HDI) was 0.563, ranking the country at a low 150th place out of 189 countries.^[4] Extreme household poverty increased from 16.2 per cent in 2011 to 21.9 per cent in 2017.^[5] About 76 per cent of

rural households and 38.2 per cent of urban households are poor. At the same time, Zimbabwe continues to be highly vulnerable to shocks, including droughts as well as fluctuations in the global economy.^[6]

4. Zimbabwe continues to rank amongst the top 10 most fragile countries in the world, despite a positive rate of change in its 2019 Fragile States Index (99.5) compared to 2018 (102.3). Zimbabwe is locked in a fragility trap driven by multiple factors: (i) macroeconomic stress created by huge debt burden, over-reliance on minerals as well as agriculture and currency volatility; (ii) low state capacity including gaps in the rule of law, accountability and governance structures; and (iii) climate stress in the form of recurring droughts, floods and outbreak of pests/disease leading to a negative food balance sheet; and (iv) the on-going severe impact of COVID-19, including a large decline in remittances.
5. In 2019, Zimbabwe ranked 140th among 190 countries in the 'Ease of doing business' index.^[7] Key barriers to business include macroeconomic risks, erratic electricity supply, high start-up costs, border inefficiencies, complex property registering, and the inconsistent tax regime. The financial sector has become significantly weaker over the past 15 years. The commercial banks' portfolios, denominated mostly in local dollars, have lost their value as a result of currency devaluation and the consequent hyperinflation, and the extensive use of quasi-currency instruments has exacerbated financial sector fragility. These crosscutting elements of fragility in the national economy are likely to prolong the country's recovery process.
6. Following the 2018 general elections, Zimbabwe introduced an open-door policy to attract investment. To achieve macroeconomic stability and promote private capital inflows, the country is implementing structural reforms, through its Transitional Stabilisation Programme (ZTSP) 2018-2020. The ZTSP is supported by an International Monetary Fund (IMF) Staff-Monitored Programme, which is now off-track^[8], as policy implementation and constitutional reforms have been slow.
7. Prior to the unanticipated shock of COVID-19 and its impact on the global economy, African economies and the Zimbabwean economy, the Government of Zimbabwe (GoZ) and most international institutions, including the World Bank, were relatively optimistic about the country's development prospects for the next 10 years. While GDP was expected to contract by around 10 per cent in 2020, partly because of the drought, a positive growth rate of 1.2 per cent was projected for 2021, followed by average annual growth of 5.3 per cent up to 2024. However, due to COVID-19, much more negative trends are now expected to materialise. This includes a large decline in remittances which stands at approximately US\$ 1 billion annually and a significant decline in tourism earnings. GDP is expected to continue to contract by about 10 per cent in 2020, but with modest projected rebound in 2021.
8. Hyperinflation is expected to continue in 2020 at a projected 800 per cent. While the overall macroeconomic situation remains highly uncertain at this stage, the March 2020 Article IV IMF review concludes that for the coming years, *"COVID-19 will adversely impact the economic outlook for Zimbabwe and require additional health-related spending and international support. COVID-19 will make it even harder to balance the policies needed to restore macroeconomic stability with those address urgent social needs"*.^[9] As per the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) Inform COVID-19 risk index, Zimbabwe risk classification is rated as high (5.3 points out of 10) and ranks 45th out of 191 countries.^[10]
9. One key obstacle hindering economic recovery is the large volume of loans arrears with key international partners, including the World Bank, the African Development Bank (AfDB) and the European Investment Bank (EIB)^[11]. The successful settlement of these arrears would require the implementation of a package of major economic and political reforms, which may take time and would thus delay the start-up of fresh external lending. It is important to note that in terms of Zimbabwe's arrears with IFAD, in 2015 IFAD's Executive Board approved a five-year Debt Rescheduling Plan for SDR17.69 million, and Zimbabwe completed the last payment in November 2020.
10. **Agricultural Policy and Transformation.** Agriculture underpins Zimbabwe's economic growth, food security and poverty reduction, with approximately 70 per cent of population depending directly or indirectly on agriculture as a source of livelihood. Zimbabwe has 1.3 million smallholder farmers and about 18,000 medium- to large-scale farmers.^[12] Following land redistribution, smallholders occupy 70 per cent of agricultural land^[13] with nearly 70 per cent deriving livelihood from less than 2 hectares. In 2019, agriculture's contribution to GDP was 12.1 per cent. This contribution, however, has tended to vary significantly. Having increased by 8.1 per cent in 2018, agricultural GDP declined by 16.3 per cent in 2019^[14], partly as a result of one of the worst droughts in Zimbabwe's history.
11. Challenges, which hamper Zimbabwe's agriculture transformation include: (i) climate change (CC) related water scarcity; (ii) limited access to agricultural finance due to the weakly functioning financial sector and unstable local currency market; (iii) input shortages (including seeds, fertiliser and fuel); (iv) pest and disease outbreaks; (v) low and unstable producer prices; (vi) unsupportive regulations; (vii) deteriorating transport and market infrastructure, particularly community roads network and cooling and storage facilities; (viii) under-resourced research and extension services; (ix) poor farming practices; (x) gender and age disparities in land allocation; (xi) land tenure insecurity; and (xii) declining soil fertility. These contribute to low smallholder crop and livestock productivity. Maize yields declined from 1.2 metric tons (MT)/ha in 1990-1995 to very low 0.749 MT/ha in 2010-2016.^[15] Zimbabwe has become a net importer of foods, which contributes substantially to the country's high trade deficit.
12. Opportunities to improve smallholder agriculture include: (i) supporting adoption of improved technologies/practices for climate-resilient production; (ii) revitalising infrastructure to lower production costs; (iii) improving food availability by promoting adoption of improved post-harvest management technologies/practices; (iv) organising and linking farmers to lucrative value chains; (v) creating rural employment through small to medium-scale agro-processing and value-addition; (vi) strengthening rural private sector's capacity to supply extension and marketing services; and (vii) mainstreaming nutrition into rural food systems.
13. The Government strategy to improve agriculture development and its sustainable commercialization is articulated in its Vision 2030 document (2019) and further elaborated in the National Agriculture Policy Framework 2018-2030 (NAPF). At its core, the NAPF, particularly Pillar V, presents the strategy to commercialise smallholder agriculture. This includes: (i) organising

smallholders into groups and associations and eventually converting them into small and medium enterprises (SMEs); (ii) connecting farmers and their groups into profitable VCs and markets; (iii) facilitating contract farming along profitable VCs; (iv) developing smallholders' capacity in marketing and business skills; (v) revitalising infrastructure, including marketing and agro-processing hubs; (vi) promotion of climate smart agriculture; and (vii) strengthening of income pathways for improved food security and nutrition. Multi-stakeholder platforms, including representatives from key donors, are currently working on plans to effectively operationalise the above-cited commercialisation strategies, and how to move to their wider implementation, once the overall macroeconomic situation starts to improve.

b. Special aspects relating to IFAD's corporate mainstreaming priorities

14. **Gender.** While Zimbabwe has, in recent years, progressed in terms of gender equality, it still lags behind particularly in terms of women's economic empowerment and financial inclusion. In 2018, Zimbabwe scored 0.525 on the Gender Inequality Index (GII) and was ranked 126 out of 162 countries^[16]. Approximately 80 per cent of women in Zimbabwe live in communal areas, where they constitute 61 per cent of the subsistence farmers and provide 70 per cent of the labour.^[17] Female-headed households are mostly categorized as poor and consist of 35 per cent of households. Women face a number of constraints along the agricultural value chains, including: (i) in production, low paid employment, limited assets and security of tenure resulting from discriminatory customary laws, and large share of women in agricultural labour; (ii) in marketing, lack of facilities, limited agricultural information and unfair prices; (iii) unsafe transportation, (iv) limited participation in decision making processes both at household and community level; and (v) increased vulnerability to climate change impacts due to underlying power relations, structures and gender inequalities. Rural women, who are already in a disadvantageous position, will also have a lower climate change (CC) adaptive capacity. SACP will tackle the above gender-based constraints using Gender Action Learning System (GALS) approach, as an entry point, to achieve gender transformation.
15. **Youth.** Zimbabwe is experiencing a youth bulge with young women and men, aged 15 to 34 years, constituting 35.7 per cent of the population. This potential demographic dividend is yet to be fully harnessed – over 80 per cent of the productive youth have not been able to access permanent paid work^[18]. Some of the factors inhibiting youth employment include lack of appropriate skills such as life-skills, vocational skills, leadership skills, entrepreneurial skills or management skills; and lack of productive resources including land or capital to start own ventures. Youth unemployment is higher among rural youth with young rural women least likely to secure employment, as shown by an employment to population ratio of 19.7 per cent for rural females compared to 32 per cent for rural males, 37.5 per cent for urban females and 54.7 percent for urban males^[19]. Since many young women and men in Zimbabwe prefer jobs outside agriculture that bring quicker returns, there are high levels of youth migration to urban areas or neighbouring South Africa and Botswana. This is a major challenge for youth inclusion, raising the need for innovative strategies to interest the youth in agriculture and to unlock rural economies to create decent and attractive employment for young rural men and women in on-farm and off-farm activities. Systematic training and enhancing productivity and efficiency in agricultural value chains and related off-farm activities could offer real opportunities for rural youth.
16. **Nutrition.** Zimbabwe ranks 109th out of the 117 qualifying countries in the 2019 Global Hunger Index with a score of 34.4, which indicates that the country “suffers from a level of hunger that is serious”^[20]. Malnutrition remains a pervasive challenge, with 1 in 3 children, who are either stunted or suffering from chronic malnutrition.^[21] Children living in rural areas are more likely to be stunted and underweight than those in urban areas due to a combination of factors, which include reduced food availability due to poor agricultural performance, lower access to nutritious food due to high levels of poverty and poor food material utilization due to lack of knowledge on how to use the available food. Malnutrition is also a challenge among women of child-bearing age, of whom 28.8 per cent are anaemic.^[22]
17. The country is experiencing high levels of food insecurity, and this is more pronounced in rural areas where, in 2018, only 38 per cent of rural households had an acceptable food consumption score.^[23] The Zimbabwe National Nutrition Strategy (2014-2018) identifies inadequate nutrition knowledge and practices, weak value chains for nutrient dense foods and poor water and sanitation facilities as contributing to high malnutrition in the country. Hence in Zimbabwe, interventions that increase household income, through development of value chains, accompanied by nutrition education and women empowerment, could have a high impact on nutrition.
18. **Environment.** Zimbabwe faces several environmental challenges, including biodiversity loss, pollution of land and water resources, land degradation, poor watershed management, and wildfires, all of which adversely affect the natural resource base^[24]. Zimbabwe is water stressed with some of the population relying on seasonal water sources particularly in the semi-arid and arid regions. Deforestation is a cause of concern due to clearing for agriculture, fuelwood and pole collection and infrastructural development. Approximately 0.6% of the country's indigenous forests are annually lost to agricultural expansion and other household uses such as energy supply, construction and food production. Most soils in the country are already acidic and highly leached (Acrisols), requiring proper soil fertility management to maintain and enhance production^[25].
19. Environmental challenges linked to agriculture include erosion along streams and riverbanks and siltation of water bodies, particularly in communal areas. Overstocking of livestock and exceeding of the carrying capacity in communal areas leads to land degradation from erosion of bare soils. Compacting of soils results in reduced water penetration, increased run-off and gully formation. In order to address the environmental and natural resources challenges, Zimbabwe has enacted laws and articulated policies that promote integrated land use planning to achieve sustainable land use. The country also adopted integrated water management principles since the 1990s.
20. **Climate Change (CC).** Rainfall variability is a key climate parameter in Zimbabwe with associated risks of droughts and intermittent floods negatively impacting livelihoods and economic development. The vulnerability of the agricultural sector is accentuated by the reliance on rain-fed farming of at least 80 per cent of the rural populations. CC adaptation in the agriculture sector is one of the priorities elaborated in Zimbabwe's Nationally Determined Contributions, which also recognise the mitigation

co-benefits from climate smart agriculture and sustainable agro-forestry management practices.

21. Most climate models foresee a reduction in precipitation, change in rainfall distribution, with a change in the timing of the onset of the rainy season.^[26] Droughts and inadequate management of water resources could cause a decline in Zimbabwe's GDP of over 2 per cent.^[27] The yield of maize is estimated to be 7.5 per cent lower compared to a future with no climate change.^[28] Zimbabwe has experienced several droughts related to the El-Nino phenomenon in the recent past (2015/6, 2018/9) and was impacted by Cyclone Idai. The recent droughts led to decreased agricultural output and left 2.8 million people food insecure in the country.^[29] Cyclone Idai resulted in US\$ 1 billion worth of infrastructural damage and displaced 60,000 people. The increased incidences of droughts, as a result of CC, have led to changes in wetland conditions and habitat as well as loss of species.
22. **Indigenous peoples (IPs).** The Tshwa San peoples live nomadically, in the Matebeleland region. There are around 2,500 San people in Zimbabwe, who live in the area of Tsholotsho, close to the border with Botswana. The Doma (1,050 people) reside in Gururwe and Mbire districts, Mashonaland Central and Karoi district in Mashonaland West province. These are the poorest groups in Zimbabwe. There is no specific policy on IPs in Zimbabwe, since the Government considers all Zimbabweans to be indigenous. SACP will proactively engage with representatives of these groups to ensure free prior and informed consent (FPIC).
23. **People Living with Disabilities (PWD) and other marginalised groups.** The prevalence of disability in Zimbabwe is estimated to be 7 per cent, representing approximately 914,000 persons.^[30] The male population living with disability is estimated to be 56 per cent of the total PWD population, while females make up 44 per cent. PWD have challenges in accessing employment, education, health care and they are also vulnerable to food insecurity and accessing water and sanitation facilities.
24. The prevalence of poverty among the PWD is 74.1 per cent compared to 69.5 per cent for the non-disabled. Other marginalised groups include female headed households, child headed households, households headed by the aged, uneducated, chronically ill as well as households belonging to the apostolic religious sect. PWD and marginalised groups will benefit through SACP, including by: (i) being integrated in the agricultural production groups (APGs); (ii) receiving nutrition sensitive education and (iii) increased employment opportunities that are likely to result from SACP interventions. This will complement the social protection interventions by WFP, UNICEF and other humanitarian development partners.

c. Rationale for IFAD involvement

25. IFAD's strategy in Zimbabwe, confirmed during the Country Strategic Opportunities Programme (COSOP) in-country consultations, supports the implementation of the National Agriculture Policy Framework (NAPF) 2018-2030.^[31] With its long-term support to Zimbabwe's agriculture, IFAD is a trusted development partner for the Government. It is also considered to be a neutral broker between government and other stakeholders on agriculture and rural development policies. Moreover, IFAD has a comparative advantage in supporting Zimbabwe's agriculture sector, which stems from its extensive experience and support to: a) commercialisation of smallholder agriculture; b) increasing production and productivity; c) agro-processing and facilitating farmers' access to markets; and d) developing sustainably inclusive value-chains, while contributing to improved nutrition.
26. In order to transform smallholder agriculture and increase productivity and rural incomes, the Government of Zimbabwe's strategy relies on organising smallholders into well-governed and well-functioning cohesive groups and associations; connecting them to profitable value chains, markets and financial services; developing smallholders' capacity in climate smart production and in marketing and business skills; and revitalising market access infrastructure. The Ministry of Lands, Agriculture, Water and Rural Resettlement (MLAWRR) confirmed the Government's commitment to transform smallholder agriculture by using the private sector-led value chain approach as a critical instrument in this commercialisation process. At the same time, the private agribusiness sector confirmed its capacity, interest and commitment to implement a value chain-based economic development project with the planned SACP support (see survey results in the PIM). The Government deems the SACP to be a key project for the agriculture sector, which is expected to contribute to the implementation of the upcoming Zimbabwe National Development Plan 2021-2025, since it will highlight the need for increased transformation and liberalisation of Zimbabwe's economy.
27. As the afore-mentioned strategies/approaches are also at the core of IFAD's policies for smallholder agriculture transformation, the new SACP intervention will be based on this overall approach of using private sector-led VCs as crucial instruments for climate-smart and commercially viable smallholder development.
28. SACP is fully in line with the COSOP's overall transformation target and its objectives of reducing poverty and improving incomes along the VCs, through better market access and climate-smart and more effective production systems. The strong capacity building focus and effective targeting of SACP activities will ensure that IFAD's corporate mainstreaming priorities in CC, gender, youth and nutrition issues are appropriately built into the project design. While the income pathway itself may not lead to improved social inclusion outcomes, SACP will incorporate appropriate and context specific set of activities to ensure gender transformation and improved nutrition are achieved. The nutrition-related activities are linked to the COSOP's strategic objective, namely "Enhanced market access to nutritious foods". Furthermore, SACP is fully in line with the national priorities on food security and nutrition as defined in the National Food and Nutrition Security Policy and Zimbabwe National Nutrition Strategy.
29. The SACP is an initial intervention within the framework of a longer-term programming approach: If the SACP strategies and implementation approaches prove successful, they can provide an appropriate framework for the interventions when designing future IFAD-supported operations in Zimbabwe. Furthermore, key international development partners share the same strategic views on smallholder agricultural transformation, which is anchored on climate resilience. The major development partners (e.g., World Bank and AfDB) are, however, currently not investing in Zimbabwe, due to arrears. In such a situation, it is likely that the experiences and results from SACP implementation will influence the project designs of the larger international financiers, when their lending to Zimbabwe resumes.

B. Lessons learned

30. The SACP design process is informed by lessons learned and best practices from: (a) previous IFAD experiences in Zimbabwe; (b) results from IFAD projects in other countries of the region; and (c) similar projects financed by the Government or other development partners in the country. Particularly relevant have been the experiences from the implementation of the IFAD-supported Smallholder Irrigation Revitalization Programme (SIRP), the DFID-funded Livelihoods and Food Security Programme and the USAID-funded Enhancing Nutrition, Stepping up Resilience and Enterprise Programme. In the context of the fluctuating economic environment of Zimbabwe, the key lessons from past and ongoing operations include:
- In recent years, trials for agriculture productivity improvement through public sector driven interventions have been costly and had limited successes, including the large-scale Command Agriculture input subsidy mechanism.^[32] For this reason, a more private sector-based, commercially oriented has been adopted for SACP.
 - Well-managed private firm-led and smallholder production-based VCs, such as in smallholder tobacco^[33] in the past ten years, have shown consistently good results and impact, and their key lessons, such as a system of provision of inputs, extension and aggregation services by the lead company, have been incorporated, as applicable, to in the design of SACP.
 - Earlier Zimbabwe experience shows that a regional development strategy based on Growth Points can only be successful if they are linked to the economic opportunities and farming activities around them instead of pure infrastructure focus. Attention needs to be given to conditions for investment including: (i) labour skills, (ii) natural comparative advantage; (iii) existence of the provision of other non-agriculture related services such as electricity; (iv) cost and access to capital; and (v) adequate tax regime that stimulates investment.
 - The decapitalised and challenging status of the financial sector reduces the potential of using commercial debt instruments in VC development. COVID-19 and the related hyperinflation have further delayed the recovery of the financial sector. At the same time, success has been recorded in Zimbabwe on the use of competitive grants for companies and other VC participants, such as the SNV Rural Agriculture Revitalisation Programme's "Matched Grant Facility"^[34], Zimbabwe Agriculture Growth Programme "Matching Grant Funds for Investment" supported by the European Union^[35], and the ILO-supported "Green Enterprise Challenge Fund", implemented with the Ministry of Women Affairs, Community, Small and Medium Enterprises Development.^[36] In light of these successes, a matching grant facility is selected as the main financing instrument to support the establishment and growth of smallholder and micro-enterprise operations.
 - The key experiences of Matching Grant Facility implementation in Zimbabwe and neighbour countries include: (i) technical assistance by an experienced and independent organization is required for business planning and for monitoring of implementation of grant proceeds, and (ii) financial flows and transactions are best to be implemented through a partnership with a trusted financial institution. For the Ministry of Land, Agriculture, Water and Rural Settlements implementation of matching grants, these lessons are key to ensure effectiveness and avoid elite capture.
 - Climate change and disaster risk management mechanisms need to be included in the value chain development strategies. Inclusion of CSA technologies, such as efficient water management systems, drought resistant crop varieties and intercropping, should be a required element in practically all VC support operations as means and strategy to mitigate and adapt to climate risk.
 - Local participatory planning processes, fully involving women and youth in problem diagnosis, prioritisation of solutions, identification and planning of beneficiary is important to ensure an increased ownership of projects and sustainable results as well as youth economic empowerment, particularly if focus is on quick and high returns.^[37] In this regard, SACP devotes attention and adequate resources in ensuring a strong involvement by women as well as youth.
 - SIRP has experienced challenges in effective youth inclusion due to: (i) migration of business-minded youth to cities and outside Zimbabwe, particularly to South Africa, (ii) low access by youth to agricultural land and (iii) overall low interest by youth to participate in primary agriculture production, while the interest is higher in post-harvest operations and agriculture-related trade. By adopting a commercialisation approach involving also agro-trade and post-harvest activities, it is expected that SACP will encourage interest from young women and men.
 - As clearly indicated through SIRP's ongoing implementation, capacity building and Business Development Service (BDS) operations, as well as infrastructure support activities, need to be: (a) fully resourced by the project to avoid dependence on unreliable and often absent contributions by local governments and (b) designed, largely based on performance-based service contracts.
 - As also shown with SIRP, efficient implementation of the start-up phase requires substantial technical support from IFAD and recruited technical advisers/specialists, particularly in key areas such as technical and financial planning, M&E set up and procurement.
 - The experience from SIRP has shown the need to build in a system of frequent withdrawal applications and payment flexibility (e.g., direct payments with funding agencies and careful planning in the use of different currencies) to address fragility-induced monetary policy instability, ensuring at the same time financial reporting and audit compliance.
 - Systematic initial support in procurement need to be incorporated in the supervision and implementation support action plan. Specific attention will also be needed to ensure higher response rates for competitive procurement processes. Similarly to prior experience with SIRP, intense procurement training will be required, at least during the first 6 months of start-up, given that the Zimbabwe Government has limited experience of procurement operations with international loan funds. A thorough monitoring of contract execution and capacity building in managing contracts also needs to be reinforced.
 - The SIRP experience shows that an efficient mainstreaming of nutrition requires a clear baseline, sufficient budget allocations as well as a clearly defined impact pathway with SMART indicators and clear responsibilities during implementation.

2. Project Description

C. Project objectives, geographic area of intervention and target groups

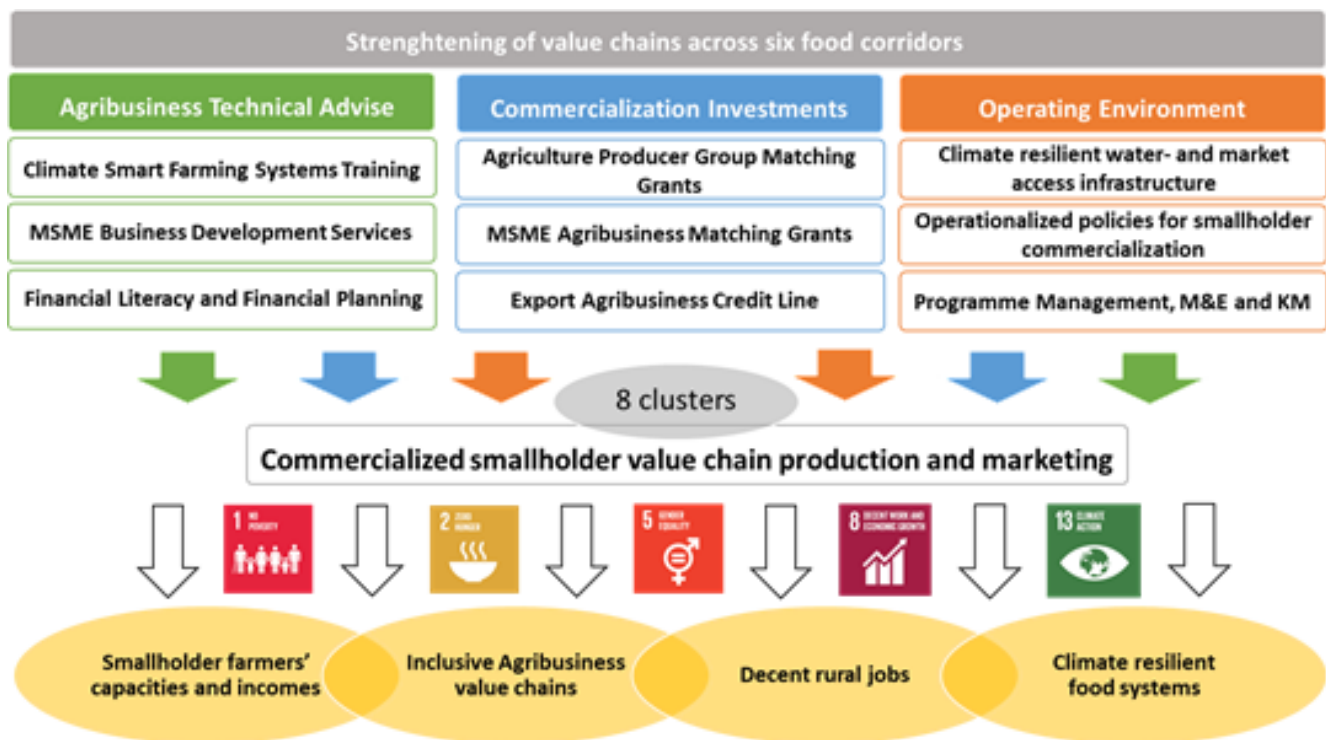
31. **The project goal** of the proposed SACP is: "Increased household incomes and improved nutrition, through sustainable transformation of the smallholder farming sector".
32. **The Project Development Objective (PDO)** of SACP is: "to increase equitable smallholder participation in market-oriented and climate-smart value chains".
33. **Geographic area of intervention.** The project will be implemented in five out of the country's ten provinces namely: Mashonaland Central, Mashonaland East, Mashonaland West, Midlands and Matebeleland North. The selection of provinces is based on: (i) the highest incidence and prevalence of poverty and food and nutrition insecurity, (ii) accessibility to food trading corridors, and (iv) existing production clusters, with the highest potential for market potential for smallholder produce aggregation. The Midlands province provides an overlap between SACP and SIRP targeted areas, in order to provide lesson learning and synergies between the two projects, as well as an opportunity to fast track SACP implementation at early stage. SACP will adopt a phased implementation approach, starting with value chains already identified in the SIRP-covered districts.
34. **Food corridors and districts.** Within the five provinces, SACP will target key urban-rural agricultural production and food trading corridors^[38], by further increasing the role of smallholder farmers and the private sector. In doing so, this allows for the project's geographical coverage to be narrowed down to 18 out of the 60 rural districts^[39], covering about 400 rural wards, which also meet the above-mentioned selection criteria.
35. **Value Chain Clusters.** Targeted wards under each district will be organised into production clusters to allow for effective aggregation and economies of scale in VC development (see PIM at Annex 8 for details of the approach). The clusters combine wards across district boundaries, based on existing smallholder commodity production areas. The mechanism for the identification and selection of the SACP-supported clusters is based on Expressions of Interest (Eoi) from Value Chain Lead Enterprises (VCLEs). Based on the Eois, target areas and tentative implementation clusters are identified. The clusters are confirmed through viability assessments and community consultations to ensure potential for sustainable and inclusive value chain development. All SACP activities will thereafter focus on the development of value chains in the target clusters.
36. During the project design, the agricultural potential of SACP target areas was assessed through field level consultations. Eight clusters were identified for possible SACP VC support at the initial phase of project implementation^[40]. The criteria for cluster pre-identification included: (a) interest of agribusinesses for private sector-led value chain development; (b) potential number of farmers involved in the value chains, (c) presence of women or youth led value chains and nutrition sensitive value chains, and (d) potential for climate smart agriculture.
37. **Target groups.** In Zimbabwe, rural households are categorised into four groups (A, B1, B2 and C^[41]) according to their access to land, other productive assets and labour. In accordance with IFAD's Targeting Policy, SACP will focus on the rural poor who, while being poor and vulnerable, also have the potential to take advantage of improved access to assets and opportunities for agricultural production and income generating projects. Specifically, SACP's target group focus is on Category B1 and Category B2 farmers, who constitute almost 80 per cent of supported households.^[42] Category A farmers (the poorest households), including PWD, women, child and elderly headed households, will be supported to join the APGs and will have the opportunity to access employment at APG and rural enterprise operations. At least 50 percent of the SACP target group will be women, and at least 30 percent youth.
38. The total direct target group for SACP consists of 78,240 beneficiaries^[43] of whom:
 - 24,000 low-income beneficiaries will be members of 800 Agricultural Production Groups (APGs). They will benefit from intensive capacity building and financial services from SACP, to develop their livelihoods.
 - 24,000 labourers will benefit from seasonal and full-time employment from APG operations.
 - 15,000 non-APG members beneficiaries, and 15,000 of the APG member beneficiaries will have improved access to water and road networks in the target areas, through the infrastructure development.
 - 15,240 non-APG members beneficiaries, and 13,000 of the APG members^[44], will benefit from the generated supply chain and employment opportunities.
39. SACP's indirect target group is estimated to be 45,000 households, which includes in particular the villagers who live in direct vicinity of the supported agribusinesses and rural road construction sites but are not immediately part of the SACP value chain production systems. They will benefit from improved road access to district centres, marketplaces, health, and education, as well as long term indirect benefits of economic development in the targeted villages including indirect job creation in services and trade sector.
40. **Targeting Strategy.** SACP will implement an inclusive targeting strategy to ensure that SACP benefits a large number of poor smallholder farmers. Targeting measures will include geographic targeting, direct targeting, community targeting and self-targeting. The geographical targeting ensures that poverty prevalence stands at minimum 75 per cent among target groups, while social targeting mechanisms will ensure adoption of mainstreaming strategies and effective smallholder development. Self-targeting measures will ensure that project interventions respond to the priorities of the APGs, SMEs, and VCLEs. Community targeting will be applied for Component 2 for public infrastructure development, while self-targeting will be used for irrigation schemes.
41. The risk of elite capture will be mitigated through a triangulation pertaining to beneficiary targeting, identification and selection

process. The Government's beneficiary classification system will be used to guide targeting, while identification through local independent short-term Community Mobilisation Specialist, in consultation with local communities, organized farmer groups and local authorities, will rebuild confidence in state systems. Other measures to increase transparency and reduce elite capture will include: (i) increased volume of independent, NGO-based BDS support; (ii) public dissemination events for periodic batches of successful matching grant proposals; (iii) piloting a digital business plan database for matching grant projects; (iv) the selection of the evaluation panels to be subject to IFAD's No Objection and rotation of some of the evaluation panel members; (v) systematic training provided to the evaluation panels and key project staff on integrity, eligibility and conflict of interest and corruption and bribery related topics; (vi) enhancing beneficiary access to project information; (vii) adoption of an SACP anti-corruption plan; and (viii) a functional SACP grievance redress mechanism.

42. **Gender targeting.** SACP recognizes that women are key to agricultural transformation, but various obstacles and economic constraints limit their contribution to their households and communities. A gender analysis using the Women's Empowerment in Agriculture Index (WEAI) survey will be conducted and the results used to inform strategies for women's empowerment. Pro-women value chains will therefore be prioritised as part of the eligibility criteria for matching grant application. Empowering measures will include: various trainings in business development services, climate smart agriculture (CSA) and Gender Action Learning System (GALS), among others.
43. Direct targeting will ensure that the 50 per cent quota (39,120 women) for women participation is met. SACP interventions on gender equality and women's empowerment will focus on (i) promoting economic empowerment to enable women to have equal opportunities to participate in and benefit from profitable activities; (ii) enabling women and men to have equal voice and influence in rural SACP-related institutions and arrangements; (iii) achieving a more equitable balance in workload and a sharing of economic and social benefits between women and men through GALs, and (iv) monitoring change in norms and values around gender equality, culture, sensitivity and contextual analysis. Dedicated PIU staff will be responsible for implementation and monitoring using gender sensitive indicators and ensuring adequate resource allocation for the achievement of women and men's empowerment.
44. **Youth targeting.** Youth have limited productive resources, skills, capital and suffer from high unemployment. SACP shall involve the youth in community-level participatory value-chain development consultations and target value-chain that ensure that appropriate opportunities are availed to young men and women of all the age groups. SACP will target the youth directly by identifying skilled and unskilled youth interested or already involved in livestock or irrigated crop production or post-production activities such as processing, marketing, artisanry or casual labour. The APGs will allocate 30 per cent of membership to interested youth and will serve as a model for youth mentorship, upskilling and transfer of indigenous knowledge. Youth employment opportunities will be provided through the links to MSMEs and VCLEs. With a target of 78,240 smallholder farmers, SACP will provide opportunities for 23,472 young women and men between the ages of 15 and 35. VC analysis will be done to identify opportunities for youth, and data collection and analysis will be disaggregated by age and gender to ensure that appropriate opportunities are availed to young men and women). In addition, youth that are interested in being part of the APGs will benefit from technical assistance on business plan development, leadership skills, climate-smart agriculture and financial literacy and planning, and technical training related to the specific operations of the enterprise.
45. **Nutrition targeting.** SACP will mainstream three specific nutrition related approaches into the value chain activities. The first approach builds on increased income to be associated with nutrition education and Social and Behaviour Change Communication (SBCC) activities. The second approach focuses on the supply side and aims at making the selected value chains nutrition sensitive. The third approach relates to women's empowerment in ways that improve nutrition. This consists of different interrelated elements, such as women's use of income for food and non-food expenditures, the ability of women to care for themselves and their families, and women's energy expenditure.

D. Components/outcomes and activities

46. The activities of the proposed SACP^[45] are organised in three mutually interdependent components as follows: (a) Component 1: Inclusive Value Chain Development; (b) Component 2: Climate Proofed Value Chain Infrastructure; and Component 3: Policy and Institutional Support and Project Coordination.



Component 1: Inclusive Value Chain Development

47. Although the skills level and agricultural sector potential in Zimbabwe are among the highest in Africa, the gaps in smallholder-based value chain organization result in low agricultural productivity. Challenges persist in commercial smallholder production systems, and the financial sector is unable to channel urgently required financing for investments by smallholder farmers and agribusinesses. Component 1 of SACP is designed to address these challenges, through the following sequence of key activities: (i) Call for VC Lead Enterprise Expressions of Interest; (ii) Identification of SACP Production Clusters within the target districts; (iii) Mobilization of Agricultural Producer Groups (APGs) and Agribusinesses for VC upgrading; (iv) Technical services to APGs and Agribusinesses for upgraded production capacity; (v) Business planning and competitive selection of matching grant recipients; and (vi) APG and Agribusiness investments to upgrade the VCs.
48. Component 1 activities are organized under three inter-linked sub-components, which are presented hereafter.
49. **Sub-component 1.1: Cluster Identification and VC Mobilization.** This sub-component's expected results are: (i) 8 smallholder production clusters identified, (ii) 800 agricultural producer groups (APGs) mobilized and organized, and (iii) 200 microenterprises and 40 VC lead enterprises identified and mobilized.
50. **VC Lead Enterprise (VCLE) Identification.** A competitive call for EOI for Agribusinesses will be announced at project start-up and thereafter every six months during the project years 1-4. Through this EOI, SACP will identify potential VC lead enterprises^[46] from provincial and national levels, to invest into agribusiness models with smallholder supply chains in SACP target areas. From among received Expressions of Interest, a shortlist is made against agreed criteria: (i) technical and financial viability, (ii) gender- and youth-inclusive poverty reduction potential, (iii) climate change adaptation potential, and (iv) nutritional development potential among smallholder communities.
51. **Smallholder Cluster Identification.** Following the agribusinesses' expressions of interest, SACP priority commodities will be selected, and thereafter smallholder clusters will be mobilized. These clusters will enable economies of scale, through significant aggregation of smallholder production and marketing. Each production cluster will be located within the boundaries of 1-3 districts, and the clusters will be the geographic locations for SACP implementation. The detailed cluster selection criteria are presented in the PIM in Annex 8.
52. **APG and Microenterprise mobilization.** In order to stimulate "Farming as Business" and to develop agriculture and nutrition sensitive value chains, SACP will hold community consultations in the identified production cluster areas, while devoting particular attention to equal participation by women, men and youth. Through these community consultations, SACP will request for APGs and microenterprises' (ME) Expressions of Interest, whereby the smallholder groups will: (i) propose investments in APG/ME agriculture operations, and (ii) explain potential linkages to market-oriented VCs and lead enterprises. The APG members will be small-scale agriculture producers, who meet the SACP targeting criteria. The micro-entrepreneurs will be individual community members with the capacity to manage small businesses, thus upgrading the VCs at local level.
53. SACP will promote women participation in APGs, including by setting up women-only APGs and encouraging women to take up leadership and decision-making roles in APGs. The project will also promote the participation of women-led MEs and lead value chain agribusinesses as well as linkage of APGs to private sector to increase access of productive resources. SACP will, in addition, identify women within different parts of the VC and bring them together via a leadership platform so that they inspire other women and foster collaboration among VC actors.
54. **Sub-component 1.2: Technical Services for APGs and MEs.** The expected results of this sub-component are: (i) 800 APGs

received BDS and are able to prepare bankable climate smart business plans, (ii) 200 agribusinesses received BDS and are able to prepare bankable business plans, which comply with Environmental, Social and Governance (ESG) standards, and (iii) 800 APGs implement CSA practices. The technical services will target APGs and Agribusinesses, identified through Sub-component 1.1. A balanced gender inclusion will be ensured in the targeting of services, and special attention will also be given to the rural youth.

55. Manual Development and Training of Trainers (TOTs). At pre-start-up phase, SACP will develop gender-sensitive manuals and templates for: (i) *APG and Microenterprise Business Planning*, in consultation with micro-finance institutions (MFIs), banks and ESG specialists, and (ii) *Climate Smart Agriculture*, in consultation with climate change adaptation (CCA) and agricultural development organizations^[47]. The manuals will include options for CCA for each of the prioritised VCs within the clusters. After SACP start-up, gender-balanced ToTs are organized for the province and district teams to familiarise them with the BDS and CSA manuals.
56. Business Development Services (BDS). Following the TOTs, the BDS services for APGs will be implemented at provincial and district levels by SACP district/province teams, jointly with recruited BDS consultants^[48]. The BDS will follow an activity-based method and business planning templates^[49]. During the BDS sessions, the APGs and MEs will complete their business plans. Amongst these business plans, those with most potential will be selected for Matching Grant financing (refer to C1.3 below). The APG business plans will also identify public infrastructure needs, for possible investments by Component 2 of SACP. Following the Matching Grant disbursements, the SACP district/province teams and the recruited BDS consultants will provide additional services to the APG groups and Microenterprises, including (i) technical support for the project implementation, (ii) monitoring of the disbursements and utilization of the Matching Grants, and (iii) facilitation of access to markets and financial services.
57. CSA and Productivity Skills Enhancement. CSA technical assistance, including e-extension solutions (such as Kurima Mari used in Zimbabwe^[50]), will be delivered by the Department of Agriculture and Extension Services' (Agritex) commodity specialists and the SACP district/province teams. The service will reach out to all APGs that have expressed their interest to join in project activities and meet the project targeting criteria. The objective of the CSA trainings is to promote climate smart production models and increase farm productivity. Topics will include best practices for crop selection, variety selection, commodity production techniques, climate-smart agriculture solutions, integrated soil fertility management, integrated pest management, food loss and waste, nutrition sensitive value chains, production standards, labour saving technologies that reduce the time and burden for women, and national and international certifications. Precision farming will be promoted and access to climate related services provided within the agriculture extension services. As part of the CSA, communities will be encouraged to sustainably manage the agricultural productive landscape and maintain the provision of ecosystem services (biomass, water, fibre etc). Services such as mechanised weeding services, fodder/animal feed production, land preparation, soil rehabilitation and agro-forestry, can beneficially be delivered by youth and women. The CSA best practices will be included the Business Plans of each APG and cover also improved technologies for gender and nutrition optimal food crops.
58. Financial Literacy Services. Local Financial Institutions will be mobilized to provide financial literacy workshops for each APG, implemented with facilitation by the SACP province/district teams. This service will include support in the opening of bank accounts for smallholders and for the APGs, and training on basic banking skills and concepts^[51].
59. District extensionist award mechanism. At the end of each project year, for each successfully trained APG, the accountable district extension officer will receive an award equivalent to 15 per cent of their annual government salary, with the maximum of 150 per cent. The success will be measured by completed Climate Smart Business Plans, which qualified to receive matching grant financing from SACP.
60. Gender, Youth, Nutrition and Food Security. The project will adopt the Gender Action Learning System (GALS) approach for achieving gender transformation. This is a community-led empowerment methodology, which is complementary to a VC development approach. The approach of the GALS method under SACP is described in more detail in the PIM (Annex 8). Through technical training offered by the project, women will be empowered to take up roles as producers and market actors along the value chain, in particular in value addition. Non-technical training such as prevention of gender-based violence, sexual reproductive health rights, etc., will be offered along with the technical training to encourage women's participation and wellbeing.
61. To ensure that the envisaged increased agricultural production and income from SACP value chain activities lead to improved nutrition and food security, SACP will mainstream three nutrition related approaches into the VC activities, aimed at increasing both market availability and demand for diversified and nutritious foods. The first approach will build on increased income to be associated with nutrition education and Social Behaviour Change Communication (SBCC), which will boost the demand side by stimulating the consumption of more nutritious and healthy food and contribute to improved dietary diversity of target households, particularly that of women of child bearing age. SACP will train APGs on nutrition-sensitive value chains and will partner with Agritex and explore opportunities to utilize the Ministry of Health and Child Care care-group model as a delivery mechanism for continued nutrition education for its target group.
62. The second approach will focus on the supply side and will aim at making the selected VCs nutrition sensitive, by ensuring that investments in crops/animal sourced foods have a nutrition value in addition to being market oriented. The "Technical support in climate and nutrition linkages in IFAD's investments" report identifies commercially viable commodities with climate and nutrition co-benefits while also providing youth, gender, and environmental considerations of the different value chains^[52]. The commodity lists partly inform VC commodity selection in SACP and will be applied in evaluation of matching grants proposals to ensure high nutritional impact. Additionally, MEs, applying for matching grants to purchase technologies that preserve or enhance nutritional value of marketed food, will be highly considered during evaluation of proposals.
63. Strategies to reduce food loss in SACP will include training on post-harvest loss and waste (Sub-component 1.2), and opportunities for APGs to apply for matching grants to invest in technologies, which reduce pre- and post-harvest food loss and

waste. Examples include bird scaring technologies to reduce pre-harvest loss of small grains, grain dryers to avoid aflatoxins, metal silos that minimize loss due to rodents, pests, water, and cold storage facilities for highly perishable agricultural commodities. These strategies to increase market availability of nutritious food will also be associated with community-based interventions to promote diversified household food production^[53].

64. The third approach relates to women's empowerment in ways that improve nutrition, such as use of income for food and other nutrition and health-related expenditures, and will be achieved through the GALS methodology. GALS encourages joint decision making on use of household income, and men and women to reconstruct gender roles and household responsibilities to enable women to have more time to care for themselves and their families. Matching grants beneficiaries applying to be funded for labour-saving on-farm and primary processing technologies such as tractors, no-till planters, threshers, dehullers, shellers and grain cleaning technologies will be highly considered, as these reduce time and energy spent by women doing on-farm work.
65. SACP will take into account the diversity of the youth (including gender, age, level of education and VC/crop preference) and undertake VC analysis accordingly to identify tailored approaches to the youth sub-categories. VC analysis and selection will be done in a participatory manner, actively involving youth and women, culminating in the selection of value chains that are gender sensitive and suitable for youth interests and capacities. Successful youth inclusion in the SACP project will include: (i) opportunities provided for youth to apply for matching grants and (ii) the BDS training of youth, who are part of APGs to equip them for success in their value chain activities.
66. **Sub-component 1.3: Financing for Inclusive VC Investment.** SACP will co-finance, through a competitive selection process, privately owned and managed investments by smallholders and agribusinesses for the upgrading of VCs. Matching grants (MG) will be made available in three distinct categories, as detailed in Table 1. In addition, a US\$-denominated Line of Credit for US\$ 2.5 million will be established at a selected financial institution to initiate access to commercial bank finance by those SACP partner VC Lead enterprises, which operate in the export sector.

Table 1: Matching Grant conditions and eligibility in three grant categories

	Category 1: APG Climate Smart Co-Investments	Category 2: Local MSME Co-investments	Category 3: VC Lead Enterprise co-investments
IFAD Budget	US\$ 16 million	US\$ 4.4 million	US\$ 2.5 million
Target group	Single commodity APGs and APG members	Local private sector MSMEs based in SACP clusters	Registered private sector agribusinesses in Zimbabwe, with min. 2 years operations and financial records
Objectives	Smallholder CC resilience and commercialization. Achieved through improved productivity and product quality, nutrition and food security, pre-processing and marketing capacities and reduced food loss and waste	Smallholder CC resilience and commercialization. Achieved through improved productivity and product quality, nutrition and food security, pre-processing and marketing capacities and reduced food loss and waste	Country level agri-business models and smallholder-inclusive VCs upgraded through strengthened VC Lead Enterprise operations such as input material and service supply, logistics and storage, processing, marketing and sales, farmer training and supply chain coordination
US\$ thresholds	Maximum US\$ 25,000 to APGs with 30 members	Maximum US\$ 30,000 per MSME	US\$ 30,000 – US\$ 75,000 per VC Lead Enterprise (VC LE) (plus access to max US\$ 150,000 SACP-financed bank credit)
Aver. US\$	US\$ 20,000 per APG	US\$ 22,000 per MSME	US\$ 62,500 per VC LE
Targeted overall number of beneficiaries	800 APGs 24,000 smallholder HHs 24,000 seasonal workers	200 MSMEs 1,000 worker HHs 10,000 supplier HHs 56,000 individuals	40 VCLEs 1,000 worker HHs 16,000 supplier HHs 85,200 individuals
Gender and youth incl.	Min. 50% of overall APG members women, 30% youth	Min. 25% of beneficiaries women, 30% youth	Min. 25% of beneficiaries women, 30% youth

	Category 1: APG Climate Smart Co-Investments	Category 2: Local MSME Co-investments	Category 3: VC Lead Enterprise co-investments
CSA and ESG	All APG investments adopt CSA technology solutions	All MSME investments adhere to minimum ESG guidance	All VCLE investments adhere to ESG standards and norms
Nutrition and food security	Commodities with proven positive nutritional impact are preferred	Commodities with proven positive nutritional impact are preferred	Commodities with proven positive nutritional impact are preferred
Counterpart contribution	Minimum 10 per cent in cash and 10 per cent in kind by APG	Minimum 25 per cent in cash and 25 per cent in kind by MSME	Minimum 50 per cent in cash by VCLE
Total investment	US\$ 20.0 million	US\$ 8.8 million	US\$ 5.0 million

67. The Matching Grant (MG) instrument will enable social and environmental targeting as well as the strengthening of commercially viable, and sustainable value chains. A total of 24,000 smallholder households, 200 MSMEs and 40 VCLEs will benefit from the matching grant resources, which will impact the livelihoods of 48,000, 11,000 and 17,000 rural households, respectively. All MGs will be disbursed in US dollars (US\$), through bank transactions, and a financial institution^[54] will be engaged to manage these transactions. In addition, the financial institution will lead on the financial literacy training to Component 1 beneficiaries (refer to C1.2). Digital payments will be promoted for all end-users of the MG investments, to facilitate smooth transactions. To ensure overall transparency of the MG mechanism among the target groups, public dissemination events for periodic batches of successful matching grants will be organized. This will ensure social monitoring of the investments, improve knowledge on SACP among target communities, and disseminate best practices among VC stakeholders.
68. The MG proposals will be scored against following weighed criteria: (i) technical feasibility, (ii) financial viability and sustainability, (iii) benefits to smallholders, (iv) demonstrated poverty reduction impact, (v) nutrition outcomes, (vi) green solutions, (vii) demonstrated youth employment impact, (viii) women led enterprises and women employment, and (ix) ESG standards. A model of a scoring template is available in the PIM in Annex 8. For the first and second category, the principal acceptance criteria are commercialisation and climate change resilience. For the third category, VCLEs, as the principal acceptance criteria, the MG financing needs to directly involve smallholders in SACP target areas. The scoring and selection are made by established committees as described below in the procurement section and in the PIM Matching Grant manuals. In particular, these include a comprehensive package of measures to avoid elite capture in the targeting of MG resources, which is summarized in the SACP Integrated Project Risk Management framework.
69. Line of Credit for export sector VC Lead Enterprises. SACP will pilot a US dollar-denominated line of credit of US\$ 2.5 million. This will be established at a selected financial institution, to initiate access to commercial bank finance by those SACP's partner VC Lead Enterprises that operate in the export sector and earn a major part of their revenues in foreign currency. This pilot intervention responds to the following concerns of the GoZ in rural VC development: (a) the need to effectively revitalise the operations of smallholder-based, export oriented rural value chains, and (b) the need to establish a pilot US\$-denominated commercial borrowing window in a financial market, in which practically no forex liquidity exists and no donor-supported refinancing options are operational. The relatively small LoC amount in comparison with the Matching Grant facility is due to the extreme forex volatility in Zimbabwe, and the consequent requirement that all LoC transactions and repayments are made in United States dollars (US\$). Therefore, the enterprises need to earn adequate revenues in US\$ to be able to repay their loans. This limits the LoC target group to export-oriented lead enterprises.
70. After project start-up, the SACP-financed line of credit will be established in a financially sound commercial/development bank, through a subsidiary loan agreement to be signed between the bank and the GoZ. The selected bank is expected to use this refinancing injection as a part of its overall strategy to develop new products and serve new markets in rural areas.
71. To qualify as borrowers from this US\$-denominated line of credit, the VCLEs need to demonstrate that their projected forex revenues from the VC operations provide an adequate financing base for the repayment of the loans. Before applying for a credit line-financed loan from the selected partner bank, the Lead Enterprises need to have been selected as Matching Grant recipients, and thereby they have passed the assessment of SACP's Technical Assessment Committee to indicate that they meet the development and impact criteria of the project to qualify for SACP's smallholder-based VC support.
72. In its lending operations to SACP's VCLEs, the partner bank carries the full credit risk and therefore uses its own criteria when assessing the bankability of the proposed projects, as well as its own terms and practices for interest rates, collaterals, and repayment and grace periods. The maximum loan size for loans to Lead Enterprises from the SACP credit line is US\$150,000, with the average loan projected at US\$100,000. The loan administration requirements for the Harare-based partner bank are relatively light, as the number of borrowing companies is not expected to exceed 25. Loans from the credit line will be identified in the bank's MIS with a special code that facilitates for easy and systematic follow-up and reporting. In the PIM, more details are provided on the key features and implementation arrangements of the SACP financial support to export oriented VCLEs.

73. As a part of the SACP design process, following initial inquiries by IFAD/MLAWRR about the interest of banks to partner with SACP in the Line of Credit implementation, a national banking consultant conducted institutional assessments of five leading Harare-based commercial/development banks that are active in or have interest to expand to the agri-business finance. These banks included CBZ Bank Ltd, ZB Bank Ltd, NMB Bank Ltd, Steward Bank Ltd. and Agribank.
74. The purpose of the institutional assessment was to evaluate the financial and institutional position and product portfolio of the financial institutions as well as their readiness to implement the SACP Credit Line for Export Sector VCLEs. The SACP "Potential Partner Bank Assessment Report" is included in the SACP design document Package. The outcome of this assessment was that three of the reviewed banks had the required financial strength, technical capabilities and experience to partner with SACP. These were CBZ Bank, NMB Bank and Agribank. After the effectiveness of SACP, the NPMU will organise a full assessment of these three banks and their appropriateness to implement the line of credit activity. The SACP Project Delivery Team (PDT) will provide technical support for the assessment of this financial institution. Based on the results of this assessment, the NPMU will make a proposal for the selection of the partner bank for the SACP credit line implementation. An IFAD No-Objection is required for this selection, before the NPMU presents it for final approval by the SACP Steering Committee.

Component 2: Climate Proofed Value Chain Infrastructure

75. The objective of Component 2 is to improve irrigation water supply and management, domestic water supply, and local level feeder roads, to facilitate the commercialisation of smallholder agriculture. The implementation of activities under this component will encourage private sector investments in SACP areas, promote the production and marketing of large quantities of quality produce and reduce the time and cost of transport to the markets. Component 2 will invest in public and semi-public infrastructure. VC infrastructure to be financed by the private sector will be supported under Component 1 of SACP.
76. The expected results of Component 2 include: (i) prioritised ward-level community infrastructure investments identified through participatory stakeholder consultations involving men and women; (ii) approximately 1,780 ha equipped with improved gender-sensitive irrigation systems; (iii) 150 km of roads rehabilitated and climate proofed, which will enhance access to markets and improve safety of men and women; and (iv) 100 wards with improved water supply and sanitation facilities, to reduce the walking distances to fetch water and improve the community well-being. Investments in irrigation and multi-purpose community water supply will contribute to increased year-round production of diverse nutritious foods for household consumption and markets. The total number of expected beneficiaries for Component 2 is projected to be around 30,000 households.
77. This component will consist of two sub-components, which are presented below.
78. **Sub-component 2.1: Participatory Ward Level Infrastructure Investment Planning.** The SACP-supported cluster infrastructure investments will be identified through participatory planning process involving women, men and youth beneficiaries. The planning process will identify priority irrigation, 'last mile' feeder roads and multiple-purpose water supply investments in each ward.
79. The participatory community consultation and planning process will consist of (a) initial visits to wards, to inform communities about the project and to establish a long list of possible locations for SACP-supported community infrastructure, (b) first dialogue meetings, to agree on a shortlist of priorities for interventions for the community, and (c) follow-up dialogues, particularly to establish links of the infrastructure to a lead enterprise intervention in Component 1 and to finalise intervention selection. These will be followed by call for proposal for infrastructure development, development of Implementation Partnership Agreements and the actual implementation and handover of the projects (for details of the process, see the PIM).
80. **Sub-component 2.2: Climate proofed infrastructure investments.** Sub-component 2.2 will support: (i) small-scale irrigation development investments, (ii) feeder road rehabilitation; and (iii) community water supply schemes based on gravity or solar power from protected wells/boreholes, and springs.
81. **Small-scale irrigation schemes.** The objective of this intervention is to increase agricultural production through the rehabilitation and improvement of small-scale irrigation infrastructures for selected value chains. The improvement will be for water use efficiency and adoption of soil and water conservation measures. Taking into consideration the selected value chains for Component 1 support, the irrigation systems to be developed (new or modernised) will be selected through a community-based prioritisation process explained above.
82. Selection of irrigation schemes will be competitive, following an expression of interest and a call of proposals by the project. An initial call for proposals will shortlist potential irrigation schemes to be assisted using the following criteria: (i) reliable water source, (ii) a demonstrated link to a market for the intended produce, with a possible link with lead enterprises and SMEs supported under Component 1; (iii) the investment encourages youth participation; (iv) the investment benefits women farmers and the irrigation technologies do not increase the workload of women; (v) demonstrated potential for increasing household income sustainably; (vi) design to include water supply and sanitation facilities; and (vii) commitment to contribute at least 15 per cent of investment costs in cash. The shortlisted schemes, new or for modernising, will be assisted to undertake feasibility studies to be submitted for final selection. The feasibility studies and full proposals need to confirm how each of the criteria indicated above will be met. The feasibility studies will include the environmental impact analysis (EIA), required for irrigation schemes, and development of Environmental Management Plans (EMP).
83. Irrigation schemes will typically have less than 50 participating households, with an average 2 ha or less per household. The typical average size of irrigation schemes will be less than 100 ha. A total area of 1,780 ha will be developed under this intervention. The expected number of direct beneficiaries is around 1,000 households. The actual locations of the irrigation schemes will be demand-driven, taking into account the linkages that will be established between the producer groups and value chain lead enterprises. The types of irrigation will be determined by the nature of the crops and topography of the areas. This notwithstanding, it is anticipated that sprinkler, centre pivot and drip irrigation will be the main types of irrigation schemes. The project will follow the SACP SECAP procedures in the planning and implementation of the schemes. The land holding will be on communal lands or farmers with offer letters or leases from the government. The focus is on households rather than head of

households to prevent women being excluded due to their lack of access to land and other productive assets. SACP will include women (50 per cent) in the management committees of the irrigation schemes.

84. **Climate proofed feeder road rehabilitation.** The objective of this activity is to provide improved and reliable access to markets and services while incorporating water harvesting into road drainage structures (for livestock drinking water and small gardens, wherever feasible).
85. An integrated approach to support rehabilitation of selected last mile feeder roads will combine the following options: (i) the road should be linked to an area producing for a VC, selected for SACP support under Component 1, (ii) the investment includes climate resilient design and construction with improved surfaces and erosion protection works, and (iii) the potential of utilizing road surface as catchment areas to catch surface runoff for livestock drinking water and irrigation. As a nutrition benefit, rehabilitation of feeder roads will improve efficiency of transportation of produce to markets (thereby reducing food loss and increasing household income) and travel by household members to markets to source food or to healthcare facilities.
86. A total of 150 km of feeder roads will be developed under this intervention. The priority feeder roads will be selected by the communities, APGs and participating micro and value chain lead enterprises. It is anticipated that the feeder roads will have an average length of less than five km. Feeder roads do not require a mandatory EIA. However, the infrastructure development will be screened for any environmental and social risks prior to the approval of the investment.
87. **Multi-purpose community water supply.** The primary objective of this intervention is to increase the community's access to safe water for multi-purpose utilisation, such as domestic, gardening and livestock use throughout the year. Bringing safe water closer to households will reduce the amount of time that women travel to fetch water, therefore freeing their time to engage in more productive enterprises. To promote the use of the investments in a way that also benefits household nutrition and health, SACP will deliver nutrition and WASH education and SBCC to its target households.
88. The selection of households for rooftop and/or open catchment water harvesting should meet the following criteria: (i) adequate average annual rainfall for the intended purpose of water harvesting, (ii) households meets the poverty criteria for the project, with special focus to the vulnerable groups: women, elderly headed households, and people living with disabilities, and (iii) households invest in roofing suitable for water harvesting and in digging the pond/tank, with consideration given to vulnerable households who may not afford roofing sheets.
89. Village-level water supply systems for providing multi-purpose water will be considered for investment under the project. The water for these projects can be used for domestic and livestock use, and for small nutrition gardens. The water supply systems should be equipped with technologies that are attractive for shared family work in order to free up women's time for productive activities. Women and men will take part in the choice of technology in order to make it attractive for equitable sharing of labour for fetching water. Gender balanced water point committees will be appointed with equal numbers of women and men in leadership positions and fully capacitated for efficient O&M.
90. The management arrangements for the water schemes may include prepaid water payment systems. The installation of solar energy units, particularly to replace diesel pumping, will be a key investment area. It is anticipated that approximately 100 wards will be assisted to have improved domestic multipurpose water supply. Water supply investments require EIAs particularly if ground water is the source of the supply. SACP will support communities with screening of the potential investments for environmental and social risks and the development of the EMP as required.

Component 3: Policy and Institutional Support and Project Coordination

91. Component 3 is divided into two sub-components: 3.1. Policy and Institutional Support and 3.2. Project Coordination.
92. **Sub-Component 3.1: Policy and Institutional Support.** The purpose of Sub-component 3.1 activities is to support the efforts to create a conducive policy and institutional environment for private sector-led smallholder agriculture transformation in Zimbabwe. SACP's accumulated experience and evidence-based recommendations will be documented by the project. Strategic partnerships will be initiated with key stakeholders to ensure enabling conditions for smallholder agriculture commercialization. Specialists will be recruited to develop relevant knowledge products, policy proposals as well as investment opportunity papers and briefs on new, promising crops and commodities. Based on the accumulated knowledge and information, policy dialogues and other discussion forums and events will be organised, aiming particularly at the development of action-oriented plans to support the diversification and commercialisation of smallholder agriculture. The operations of Sub-component 3.1 are organised at two inter-related levels as described below.
93. **Institutional Support for Policy Implementation.** SACP will support the operationalisation of policies and institutional arrangements relevant to smallholder value chains. In particular, capacity building and TA will be recruited for the strengthening of the Ministry of Agriculture in the areas of: (i) implementation of agribusiness one-stop-shop approach for full range of agriculture SME public support services, (ii) operationalization of the horticultural sector policy, to support this key sub-sector with major opportunities for productivity and smallholder income enhancement; and (iii) support the operationalization of the National Agriculture Policy Framework 2018-2030 (NAPF), through transformative investment opportunity papers on new, innovative smallholder-based commodity chains and subsequent action planning and capacity building based on the analysis and recommendations. In addition, to fully support the clusters, specific capacity building at decentralized level will also be supported by SACP, in order to ensure that public services, notably for SACP's infrastructure investments function adequately.
94. **Demand Driven Policy Solutions for Smallholder Value Chain Development.** In its initial year, SACP will identify gaps and demands in the legal and institutional framework for smallholder value chain development. Subsequently, the project will provide resources to development of appropriate policy and institutional solutions to the issues identified. Based on discussions held during the design mission, the possible areas of intervention include: (i) contract farming best practices in enterprise-led, climate-smart value chain development, based on recent experiences in successful sub-sectors including smallholder tobacco, to ensure significantly wider use of formal contracts between smallholders and VCLEs; (ii) establishment of appropriate and practical

farmer group registration mechanism to enable smallholders' full participation in commercial and financial transactions, to ensure that registered groups can fully participate in legally binding financial and trading contracts; and (iii) nutrition sensitive solutions for the SACP-supported value chains, including actions/policies to reduce food loss and waste.

95. **Sub-Component 3.2: Project Coordination.** The project coordination and management costs will be budgeted under this sub-component, consisting of financing from both IFAD and the Government. The management will be arranged according to the Programmatic Approach following successful experiences from elsewhere in the region. The MLAWRR will create a joint management unit for SACP and SIRP, ensuring cost-effectiveness and higher quality service provision both for the Government of Zimbabwe and IFAD. The core approaches of the SACP management and institutional arrangements are presented in Chapter 4 below and described in more detail in the PIM.

Component 4: Contingency Emergency Response

96. Given the recurrent weather extremes in Zimbabwe, in particular droughts, this component has been included to enable IFAD to respond urgently in its support to smallholder farmers, who are the most impacted. Specifically, this component, which has not been costed at design, is expected to facilitate and expedite the implementation of level-2 project restructuring, in the event of an emergency or disaster.

E. Theory of Change

97. SACP's investment logic is premised on the Theory of Change (TOC) for SACP, illustrated in Annex 2. The main development problem that SACP aims to contribute to addressing is: high poverty, climate vulnerability and insufficient nutrition levels among rural households, due to the unorganized nature of the smallholder sector, structural gender inequality, as well as weak institutional environment. Three identified underlying causes for this development problem are: (i) limited capacity and investment by smallholders and value chain agribusinesses; (ii) insufficient infrastructure investment for climate resilient value chain development, and (iii) limited capacity of rural sector institutions on equitable smallholder commercialization.
98. SACP provides solutions to each of the underlying problems, including: (i) technical assistance and financial instruments attract agribusinesses and farmer groups to invest into value chains, (ii) cluster infrastructure investments enable climate resilient and nutrition sensitive value chain development, and (iii) institutional capacity building strengthens the operationalization of national agriculture transformation strategy. Specifically, this income pathway is tailored to target low-income smallholders. The provision of an enabling environment and smart incentives encourage a critical mass of agribusiness firms to locate in SACP target areas. Once a critical threshold is reached, the agglomeration of agribusinesses and quality primary producers will attract new players and a positive growth cycle is set in motion. This process is monitored through the SACP logframe output and outcome indicators, and the results evaluated through the higher level goal/development objectives: increased smallholder income, increased sales, empowerment and adoption of climate-resilient practices.
99. SACP recognizes that the income pathway itself is not sufficient to lead to improved nutrition, and it is in this regard that the project will incorporate a range of mainstreamed nutrition interventions, aimed at increasing both availability and demand for diversified and nutritious food. SACP will work to increase the availability of nutritious food at market level by driving smallholder participation in nutrition sensitive value chains which have a nutrition value in addition to being market and cash oriented. This will be combined with community-based interventions to promote climate change resilient nutritious food production.
100. The project results will be evaluated through the project Logframe goal indicators on empowerment and improved nutrition knowledge and attitudes, as well as the development objective indicator on adoption of environmentally sustainable and climate-resilient technologies and practices.

F. Alignment, ownership and partnerships

101. **Alignment with SDGs.** SACP aims to contribute directly to SDG1 (end poverty) and SDG2 (end hunger), through its key targets of economic and social transformation and increased commercialisation of smallholder agriculture. Further, SACP's targeting approach relies largely on very active and beneficial participation of women and girls in all activities, including the actual co-investments in the SACP groups and clusters (SDG5 on gender and empowerment). The project also directly promotes inclusive economic growth and employment (SDG8) in the leading marketed crop sectors in the whole implementation area and promotes sustainable agro-industrialisation in the targeted regions (SDG9). Finally, on CC (SDG13), SACP's targeted interventions in each project cluster aim to increase adaptive capacity of smallholders through new, smarter farming methods and at the same time to generally improve the resilience of households, through the improved household incomes and asset ownership in a "no regrets" manner.
102. **Alignment with national priorities.** SACP is fully in line with the core priorities of the Government in rural and agricultural development. Its objectives follow the key Government agricultural strategies of rural economic transformation and commercialisation of smallholder agriculture. Furthermore, SACP is in line with the National Food and Nutrition Security Policy and Zimbabwe National Nutrition Strategy. The gender parity in SACP is in line with the National Gender Policy of Zimbabwe (2017). SACP is also in line with GoZ devolution agenda that is aimed at developing rural areas as highlighted in the Constitution of Zimbabwe (2013) as well as in the IPRSP (2018). The proposed private sector-led approach responds to an explicit request by the MLAWRR. The SACP efforts to increase climate change resilience reflects the NDC priorities for CC adaptation.
103. **Alignment with IFAD's policies and corporate priorities.** The project is fully in line with the IFAD COSOP's overall transformation target and its objectives of reducing poverty and improving incomes along the VCs, through better market access and climate-smart and more effective production systems. The nutrition-related activities are directly linked to the second strategic objective of the COSOP, namely "Enhanced market access to nutritious foods". At the corporate level, SACP contributes to IFAD's Strategic Framework 2016-2025, notably Strategic Objectives 2 and 3 (SO2 and SO3) of enabling inclusive and sustainable transformation of rural areas through smallholder-led growth and mainstreaming priorities (climate change,

gender, youth and nutrition).

104. **Harmonization and Partnerships.** SACP will provide an opportunity to strengthen the overall implementation of the IFAD-supported ongoing SGRP and to harmonize the approaches in particular in terms of market and VC development and mainstreaming topics such as nutrition and food security. Further, SACP will benefit from SGRP's partnership with Harvest Plus for increased production and consumption of bio-fortified crops.
105. It is further expected that SACP will collaborate with the World Food Programme (WFP) in several areas related to resilience, food security and nutrition. Other possible implementation partners include: (i) International Labour Organization (ILO) on youth employment, (ii) the Environmental Management Agency (EMA) on compliance with national regulations and the SECAP issues in SACP implementation, (iii) the Climate Change Management Department (CCMD) on incorporation of climate change adaptation measures and monitoring their effectiveness, (iv) UNICEF on the delivery of WASH interventions in the SACP project target districts, (v) International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) on nutrition dense and drought resistant varieties, Econet Wireless on enabling farmers to access cold chain and market access and (vi) the Ministry of Health and Child Care on nutrition education through its care group model and on the delivery of health services to boost maternal and child nutrition. Finally, Wageningen University has provided support for the SACP design as regards the definition of the nutrition and climate resilience strategy. Further linkages with Wageningen will be explored during implementation.

G. Costs, benefits and financing

a. Project costs

106. The total investment and recurrent cost for the Project is estimated at US\$67.4 million including contingencies. The total base costs are US\$ 64.8 million. Price contingencies account for US\$2.4 million (4 per cent of the total base costs). Baseline investment costs are estimated at US\$61.8 million representing 95 per cent of baseline cost. The amount of climate finance is estimated at US\$ 14.061 million (adaptation), corresponding to approximately 39 per cent of the IFAD loan. The breakdown of the costs in US\$ by component and financiers is shown in Table 2.

Table 2: Project costs by component and financier
(Thousands of United States dollars)

	IFAD Loan		OFID		Smallholders		Agribusiness		Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
A. Component 1: Inclusive Value Chain Development												
1. Sub-component 1.1: Cluster Identification and VC Mobilization	66	88.8	-	-	-	-	-	-	8	11.2	74	0.1
2. Sub-component 1.2: Technical Services for APGs and Agribusinesses	3,821	85.0	-	-	-	-	-	-	674	15.0	4,495	6.7
3. Sub-component 1.3: Financing for Inclusive VC Investment	26,759	70.0	-	-	4,204	11.0	7,227	18.9	17	-	38,208	56.7
Subtotal Component 1: Inclusive Value Chain Development	30,646	71.6	-	-	4,204	9.8	7,227	16.9	700	1.6	42,777	63.4
B. Component 2: Climate Proofed Value Chain Infrastructure	-	-	15,000	88.7	-	-	-	-	1,908	11.3	16,907	25.1
C. Component 3: Institutional Support and Project Coordination												
1. Sub-component 3.1: Policy and Institutional Support	637	25.0	-	-	-	-	-	-	1,911	75.0	2,548	3.8
2. Sub-component 3.2: Project Coordination	4,404	84.8	-	-	-	-	-	-	792	15.2	5,196	7.7
Subtotal Component 3: Institutional Support and Project Coordination	5,041	65.1	-	-	-	-	-	-	2,703	34.9	7,744	11.5
D. Component 4: Contingency Emergency Response	-	-	-	-	-	-	-	-	-	-	-	-
Total PROJECT COSTS	35,687	52.9	15,000	22.2	4,204	6.2	7,227	10.7	5,311	7.9	67,428	100.0

107. The breakdown of the costs in US\$ by expenditure category and financiers, as well as total cost by years are shown in the following tables.

Table 3: Project costs by expenditure category and financier
(Thousands of United States dollars)

	IFAD Loan		OFID		Smallholders		Agribusiness		Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
I. Investment Costs												
A. Works	-	-	13,961	88.0	-	-	-	-	1,908	12.0	15,869	23.5
B. Goods, Services & Inputs	1,010	41.3	-	-	-	-	-	-	1,437	58.7	2,447	3.6
C. Equipment and Materials	288	85.0	-	-	-	-	-	-	51	15.0	339	0.5
D. Vehicles	776	62.0	240	19.2	-	-	-	-	236	18.9	1,252	1.9
E. Consultancies												
1. Technical Assistance												
National Technical Assistance	15	85.0	-	-	-	-	-	-	3	15.0	17	-
F. Training and Workshops	4,234	68.3	676	10.9	-	-	-	-	1,287	20.8	6,198	9.2
G. Grants and Subsidies	24,044	67.8	-	-	4,204	11.9	7,227	20.4	-	-	35,476	52.6
H. Credit	2,617	100.0	-	-	-	-	-	-	-	-	2,617	3.9
Total Investment Costs	32,984	51.4	14,877	23.2	4,204	6.5	7,227	11.3	4,922	7.7	64,214	95.2
II. Recurrent Costs												
A. Salaries and allowances	1,976	86.5	-	-	-	-	-	-	308	13.5	2,285	3.4
B. Operating costs	726	78.2	122	13.2	-	-	-	-	81	8.7	930	1.4
Total Recurrent Costs	2,703	84.1	122	3.8	-	-	-	-	389	12.1	3,214	4.8
Total PROJECT COSTS	35,687	52.9	15,000	22.2	4,204	6.2	7,227	10.7	5,311	7.9	67,428	100.0

Table 4: Project costs by component and year
(Millions of United States dollars)
Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Project Components by Year – Totals Including Contingencies
(US\$ Million)

	Totals Including Contingencies						Total
	20/21	21/22	22/23	23/24	24/25	25/26	
A. Component 1: Inclusive Value Chain Development							
1. Sub-component 1.1: Cluster Identification and VC Mobilization	0.04	-	0.04	-	-	-	0.07
2. Sub-component 1.2: Technical Services for APGs and Agribusinesses	0.60	1.08	1.14	1.11	0.56	-	4.50
3. Sub-component 1.3: Financing for Inclusive VC Investment	4.92	9.77	9.96	9.62	3.94	-	38.21
Subtotal Component 1: Inclusive Value Chain Development	5.55	10.84	11.14	10.74	4.50	-	42.78
B. Component 2: Climate Proofed Value Chain Infrastructure	0.47	1.08	7.23	6.88	1.24	0.02	16.91
C. Component 3: Institutional Support and Project Coordination							
1. Sub-component 3.1: Policy and Institutional Support	0.40	0.41	0.42	0.43	0.44	0.45	2.55
2. Sub-component 3.2: Project Coordination	2.13	0.63	0.67	0.63	0.64	0.49	5.20
Subtotal Component 3: Institutional Support and Project Coordination	2.54	1.05	1.09	1.06	1.07	0.94	7.74
D. Component 4: Contingency Emergency Response	-	-	-	-	-	-	-
Total PROJECT COSTS	8.55	12.97	19.46	18.67	6.81	0.96	67.43

b. Project financing/co-financing strategy and plan

108. An IFAD loan will finance US\$35.69 million or 52.9 per cent of total project costs. The IFAD loan includes: US\$ 30.65 million or 71.6 per cent for Component 1: Inclusive Value Chain Development for which the total cost is US\$ 42.78 million; and US\$5.04 million or 65.1 per cent of Component 3: Institutional Support and Project Coordination for which the total cost is US\$ 7.74 million.
109. The OPEC Fund for international development (OFID) will finance US\$15 million of Component 2 Climate Proofed Value Chain Infrastructure, or 89 per cent of this component. The GoZ has formally requested OPEC Fund financing for this project and OFID has expressed their interest in participating in this operation. OFID will submit the financing proposal for the project to its Board in 2021, following project approval by the IFAD EB. If this co-financing would not materialize, alternative sources of funding would be identified, notably the bilaterals with infrastructure investment programmes in Zimbabwe. These potential bilateral partners include the State of Kuwait and Japan, with whom discussions have already been initiated.
110. The smallholders (Agriculture Producer Group members) will finance US\$4.2 million or 6 per cent of the total project costs. The agribusiness sector will finance US\$7.2 million or 11 per cent of the total project costs. Co-financing from the beneficiaries and the private sector with both take place within the financing activity under the Sub-component 1.3: Financing for Inclusive VC Investment.
111. The Government will finance US\$4.6 million in the form of shared costs for Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Institutional Support and Project Coordination, as well as taxes and duties, comprising 7 per cent of the total project costs. Component 4 is a placeholder for emergency funds with zero allocation at design.
112. Given the targeted rural populations, their vulnerability to climate change risks and type of investments being of a public nature, discussions are currently ongoing with the National Designated Authority in the Ministry of Environment and Water to seek funds from the Green Climate Fund (GCF), which could potentially imply additional resources of US\$35 million for SACP. If this financing is secured, the resources will be used to support the scaling-up of activities under Components 1 and 2, such as improving water use efficiency in irrigation schemes, promoting soil and water conservation and precision farming to improve resource use efficiencies and eco-system services. Particular attention would be paid to assure that adequate staffing would be included both in technical areas and in finance for the adequate management and reporting related to this source of funding.

c. Disbursement

113. MLAWRR will operate designated Accounts (DAs) in a commercial bank acceptable to GOZ for external financing sources from IFAD and OFID, respectively. Subsequent replenishments based on expenditure incurred as supported with Statement of Expenditure. MLAWRR also will open two operating bank accounts at a commercial bank to receive and hold the financing transferred from the Designated accounts for programme costs in local currency. The accounts will be managed by National Project Coordination Unit (NPMU). Programme grantees under the matching grants facility for value chain investments will be required to open specific bank accounts for receipt of grant funds and for banking their own matching contribution.

d. Summary of benefits and economic analysis

114. Direct and indirect benefits are foreseen to accrue to around 78,000 households, resulting from the investments in VC development. In addition, the climate proofed VC infrastructure investments will improve livelihoods and welfare of the wider rural population in the targeted districts. The quantitative economic analysis focuses on the impact of the matching grants for inclusive VC investment, at the APG household. This takes the form of estimating the value of incremental production at farm household level. Individual crop and livestock enterprise models representing the likely household and value chain commodities are

estimated. These enterprise models are combined into illustrative farm models to determine incremental smallholder farming household production over the 20-year analysis period. These representative households are then aggregated to establish a project level value of incremental production. This is then combined with incremental project costs to derive the key appraisal indicators.

115. The projected APG household and beneficiary entry into the Project economic analysis over the six-year implementation period is shown table below.

	PY 1	PY 2	PY 3	PY 4	PY 5	PY 6
APG Total Households ^{\1}						
Incremental	1,200	6,000	12,000	3,600	1,200	-
Cumulative	1,200	7,200	19,200	22,800	24,000	24,000
APG Households participating ^{\2}						
Incremental	900	4,500	9,000	2,700	900	-
Cumulative	900	5,400	14,400	17,100	18,000	18,000
APG Beneficiaries participating ^{\3}						
Incremental	4,500	22,500	45,000	13,500	4,500	-
Cumulative	4,500	27,000	72,000	85,500	90,000	90,000

^{\1} Refer to Main Report / Project Description / Target Groups and Targeting Strategy. The figures above refer to the investments targeted at the Agricultural Producer Groups through matching grants Sub-Component 3.1

^{\2} 75% adoption rate economic modelling

^{\3} Assuming 5 persons per household.

116. **Financial viability.** Four illustrative APG farm models have been developed to examine the financial viability of the MG investments. Net income cash flows and the net present value indicator are shown in the table below. All farm system types examined were found financially viable. Incremental returns to incremental labour provide a sound incentive for household production as well as an argument against outmigration of labour.

Year / Indicator	Small Grains / Goat Farm	Maize / Horticulture Farm	Sesame / Poultry Farm	Irrigated Crops / Goat Farm
1	-1,183	-1,506	-1,532	-1,630
2	-219	184	-424	285
3	-74	218	-1	514
4	415	465	304	76
5	577	575	700	1,353
6	505	49	628	1,434
7	634	659	700	1,639
8	679	688	700	1,759
9	700	637	328	777
10 +	554	720	700	1,529
IRR (%)	24.7	26.5	20.7	42.7
NPV (USD) @ 10% ^{\1}	2,145	2,650	2,072	6,950

^{\1} Assumed as the opportunity cost of capital for the producer

117. **Economic viability.** The overall SACP project economic internal rate of return (EIRR) is 25 per cent. The estimated economic net present value (ENPV) at a 10 per cent discount rate is US\$ 56.5 million. The BCR of 2.4 indicates a return of US\$ 2.40 for every dollar invested. These results indicate that the project is a sound investment yielding a positive rate of return as the EIRR greater than the hurdle rate (10 per cent) and the ENPV is greater than zero.

118. **Sensitivity analysis.** An increase in programme costs by 10 per cent will reduce the EIRR to 23.3 per cent, while a decrease in overall programme benefits by 20 per cent will result in an EIRR of 21.7 per cent. A one-year delay in benefits reduces the EIRR to 21.5 per cent and a two-year delay to 18.8 per cent. A combination of a reduction in benefits of 20 per cent and an increase in costs by 20 per cent reduces the EIRR to 17.8 per cent indicating the investment remains viable in the face of adverse circumstances of that nature. The switching values show that the programme will remain economically viable if benefits decreased by 59 per cent, or programme costs increased by 142 per cent. An examination of the response of the project to drought reveals it remains viable in the face of multiple short and medium drought sequences (EIRRs of 16.9 and 12.0 per cent respectively). The project would become unviable in the severe longer-term drought (EIRR of 6.3 per cent), but historical trends and projections do not foresee such a long-term weather shock for Zimbabwe.

e. Exit Strategy and Sustainability

119. **Exit strategy.** The SACP exit strategy and its success is closely linked to results achieved at all the sustainability levels discussed below. The SACP focus on sustainable results and on independent, profitable institutions and private sector-based partnerships forms the core exit strategy for the project. The SACP exit strategy is presented in more detail, by component, in Annex 10.
120. **Sustainability.** Sustainability of the SACP benefits and results can be approached at different levels. At the smallholder farmers' and APG level, SACP will support modernised, CSA-based production systems that are suitable to local agro-ecological zones and climatic conditions. Environmental efficiency and climatic adaptation will be enhanced in the SACP messages. At the same time the long-term approach to mentoring and training in business and technical skills is expected to significantly improve smallholders' potential to sustain the benefits from SACP interventions even when the project support ends. Capacity building in nutrition-related subjects and environmentally sound SACP interventions in irrigation, water systems and roads, as well as SACP policy-oriented work, are all aimed a situation in which SACP-related benefits can be sustainable even after the project ends.
121. At the group and cooperative level, SACP intervention aim at training them to professionally conduct their business to being fully independent, financially robust and self-managing partners in the value chain operations. Being successful in this area will be one of the key factors for sustaining the SACP results and benefits in the period after the project closure.
122. The SACP chain approach is a rolling process of action-oriented brokering, dialogue and investment facilitation among the key actors of each VC, to catalyse investments and remove bottlenecks to increase trading and profits, and to make the most of practical opportunities for growth. In total, the combination of the project impact on farmers, groups/cooperatives, the enterprises and the whole value chain, as well as the private-sector focus of the project, is expected to ensure favourable results on sustainability of the SACP benefits.
123. The infrastructure built with the support of SACP will have three pathways to sustainability, leading towards a successful project exit. First, the infrastructure is demand driven, prioritising the infrastructure that serves the needs of the community best; second, the owners and beneficiaries of the infrastructure will contribute at least 15 per cent of the required financing in cash; and third, the management arrangements for the infrastructure will be competence-driven, with users paying for services. For multi-purpose water supply, a private or quasi-private entity may run the facilities and users pay for services using a pre-card system.

3. Risks

H. Project risks and mitigation measures

124. The following are among the main risks, rated either high or substantial in the Integrated Project Risk Matrix (IPRM) in Annex 9, for the successful implementation of SACP, with the proposed mitigation measures.

Main risks	Mitigation measures
Governance. A weak environment for growth and development in key sectors and reduced willingness of local and international investors to commit their resources in the country. High corruption rating and overall lack of transparency have significantly increased risks for investments in Zimbabwe, including investments in agriculture and agro-processing.	Systematic development of rules and procedures for SACP project activities. This includes in particular the development of comprehensive procurement rules and investments in procurement-related staff. A key safeguard against governance risks is the private sector orientation of all the investments in the key value chain development component of the project.
Macroeconomic. Instability including risks related to hyperinflation and currency convertibility will continue to adversely impact commercialisation of smallholder agriculture. In recent months, additional economic stress has been caused by the COVID-19 outbreak.	It is projected that from 2021 onwards, a better macroeconomic environment will emerge in Zimbabwe. However, the key investment instruments of SACP, including the matching grant facility, are developed to function even in an economy, in which many sub-sectors and services do not function adequately. The assumption at the same time is that with SACP support, farmers and enterprises will be better positioned to benefit from economic opportunities, once the country's macroeconomic performance improves.
Fragility and Security. With political instability and weak economy, Zimbabwe has in recent decades experienced various types of shock. This fragility continues, and clearly increased the country's investment risk rating.	The capacity of a development project to safeguard itself and its operations against these shocks is limited. However, through strong contractual agreements, private sector orientation and systems, SACP aims to increase its capacity to buffer against moderate shocks in its operational environment.

Main risks	Mitigation measures
<p>Policy Alignment. Earlier, Government policies have in various respects been poorly aligned with IFAD's core policies. This concerns particularly some aspects of land use rights and the role of private sector in smallholder agriculture development.</p>	<p>Part of the government's reform agenda includes commercializing smallholder agriculture, while addressing the persistent challenges of climate change, youth unemployment, as well as food insecurity. In this context, at its core, the National Agriculture Policy Framework 2018-2030 (NAPF), particularly Pillar V, presents the strategy to commercialise smallholder agriculture.</p>
<p>Project vulnerability to climate change impacts. The climate change risks include increasing rainfall variability, droughts and intermittent floods. Droughts have occurred in the recent past leading to crop losses and negatively impacting livelihoods. Water stress will also increase as a result of climate change.</p>	<p>Climate change adaptation measures will be promoted through climate smart agriculture (CSA) investments. The infrastructure developed under SACP will be climate resilient to improve water use efficiency and harvest rainwater for productive use.</p>
<p>Implementation arrangements. After 20 years with very few international projects, many Zimbabwean institutions lack experience on how to implement them and allocate adequate systems, staff and resources to implement them.</p> <p>The management mechanism for matching grants in particular requires a comprehensive and clear framework to ensure effective implementation, viability of promoted value chains, and to avoid elite capture.</p>	<p>The Lead Agency, MLAWRR, is also the implementing agency for IFAD-supported SIRP. With a Joint Management Unit, SIRP and SACP will share some of the key senior staff, including financial management and M&E. The relevant institutions will be supported through capacity building and SACP resources.</p> <p>Measures to reduce elite capture for the matching grant operations include: (i) Increased volume of independent BDS support (NGO or private sector service provider) to include follow up visits and investment monitoring for each grant implementer; (ii) utilization of formal financial institutions for all matching grant financial transactions, through established bank accounts, and supervision of these as part of project audits, (iii) systematic training provided to the evaluation panels and key project-related GOZ staff on integrity, eligibility and conflict of interest, and corruption and bribery related topics; (iv) ensure beneficiary access to project information through public dissemination events for project start-up and periodic batches of successful matching grant proposals; (v) piloting a digital business plan database for matching grant projects; (vi) selection of the evaluation panels to be subject to IFAD's NO and rotation of some of the evaluation panel members, and (vii) prior elite capture risk assessment for key value chains supported by the APG matching grants.</p>
<p>Funds flow/disbursement arrangements. The current state of the economy has made the local currency volatile and introduced challenges in obtaining foreign currency. These issues can adversely impact the project as exchange differences lead to losses. Suppliers are also affected. Non-availability of forex for SACP operations may lead in failure to effect timely settlements in US\$ for locally and externally sourced procurements.</p>	<p>Zimbabwe's current forex regime is that both the US\$ and ZIM Dollar are the recognised legal currencies in Zimbabwe. SACP shall maintain a US\$ account at a commercial bank to facilitate timely settlement of forex invoices. SACP will, to a large extent, use IFAD's direct payment method for payments over US\$100,000.</p>
<p>Vulnerability of target populations and ecosystems to climate variability and hazards. Most of the SACP target beneficiaries depend on rain-fed agriculture for their livelihoods. This dependency increases their vulnerability to variable climate. Some of the SACP locations are also water stressed, which increases the vulnerability of the ecosystems.</p>	<p>CSA investments will reduce the vulnerability to climate variability. The capacity building will also increase the knowledge base of the smallholders to manage the risks. Irrigation and water supply schemes will contribute to addressing water stress and incidents of drought.</p>

125. The project financial Inherent risk is assessed as high but with the proposed mitigation measures; this is foreseen to come down to substantial. The main foreseen risks for the project include the fund flow arrangements. The current state of the economy has made the local currency volatile and introduced challenges in obtaining foreign currency. This thus translates to lack of availability of liquidity to timely meet project operational needs. There is the risk of failure to properly track use of grant proceeds disbursed to grantees. This will be addressed through guidelines outlined in the PIM for the management of grants.

I. Environment and Social category

126. The environmental and social categorisation of SACP is B. The project interventions will be in non-sensitive areas and mainly consist of small-scale farming and infrastructure related investments. The small-scale infrastructure under Component 2 (irrigation schemes below 100 ha; last mile feeder roads of approximately five-kilometre length and water supply investments) will result in localised and mostly reversible negative environmental and social impacts. The potential negative impacts such as vegetation loss, changes in water flows, waste generation, soil loss and land levelling will be minimised through screening and implementation of site-specific Environmental Management Plan (EMPs) where these are required.
127. Investments under the matching grants in Component 1 will be screened for environment and social risks, as part of the selection criteria. Any required environmental licences or certification will be a pre-requisite for the approval of matching grants. The estimated costs for the ESMP implementation are US\$ 785,000 calculated as approximately 5 per cent of the infrastructure development cost. The social risks will be minimised and managed through Gender Action Learning and capacity building including in nutrition sensitive value chains. Local partners from Government Agencies and NGOs will play a key in the risk management strategies. A grievance redress mechanism is summarised in section M to address any risks in this regard during implementation.

J. Climate Risk classification

128. The climate risk classification for SACP is high. The main climate risks affecting the SACP target beneficiaries are droughts, floods and increasing temperatures. The five provinces selected for the SACP interventions are less vulnerable to droughts compared to the southern and eastern part of the country. However, the provinces include agro-climatic zones where periodic crop failures occur due to mid-seasons dry spells and delayed commencement of rain. The target groups also have low adaptive capacity exacerbated by the levels of poverty and limited ability to invest in climate change adaptation measures.
129. The in-depth climate vulnerability analysis conducted for Zimbabwe by the University of Cape Town with financing from the Adaptation for Smallholder Agriculture Programme (ASAP 2) recommends various climate change adaptation options, which will be provided to the smallholder farmers under the SACP. These include ensuring diversified, multi-crop and intercropped agricultural systems, promoting locally adapted and drought-tolerant varieties and investing in post-harvest processing facilities. Climate change resilience is one of the criteria for the matching grant investments for the APGs. The capacity of the smallholders in climate smart agriculture will be developed prior to the investments.
130. Given the limited resources available and the scale of need for climate change adaptation, further resources will be sought from the Green Climate Fund or ASAP+ to finance measures such as further investment in climate resilient infrastructure development and processing facilities for the diversified value chains as well as research and development of locally adapted drought-tolerant mixed crop and livestock systems.

4. Implementation

K. Organizational Framework

a. Project management and coordination

131. MLAWRR will be the Lead Agency of SACP, with Permanent Secretary (PS) of the Ministry as the Responsible Officer. MLAWRR will establish a Joint Management Unit (JMU) that will include the functions of both the Project Coordination Unit (PCU) of the SIRP project and the National Project Management Unit (NPMU) of the new SACP. The NPMU will be responsible for the management of the implementation of SACP. The JMU arrangement is expected to bring synergies and focus to the implementation of the IFAD country programme and provide broader and deeper expertise to tackle rural development challenges of Zimbabwe.
132. A joint Project Steering Committee (PSC) will be constituted for SIRP and SACP, to: (i) provide strategic guidance to programme implementation, (ii) oversee programme planning, (iii) review the Annual Work Plans and Budgets (AWPB) prior to submission to IFAD, and (iv) review implementation progress and impact. The PSC shall meet twice a year and otherwise when required. The PSC will be chaired by the PS of MLAWRR and comprise of the representatives of the following public sector departments/institutions and private sector organisations that are expected to play key roles in the SACP efforts to develop rural value chains in Zimbabwe: Department of Strategic Policy and Business (DSPPB), Department of Mechanisation and Irrigation (DOI), and Department of Agricultural Extension Services (Agritex) of MLAWRR; the Ministry of Finance and Economic Development (MOFED); Ministry of Women Affairs, Community and Small and Medium Enterprise Development (MWACSMED); Ministry of Environment, Tourism and Hospitality (METH); Ministry of Youth, Sports and Recreation (MYSR); and the Chamber of Commerce. The PSC will also include two senior members of the WUOs and APGs from the provinces, representing SIRP and SACP beneficiaries. The JMU will act as a secretariat for the PSC meetings.
133. The JMU staff will be a mix of SIRP staff, officers working for both SIRP and SACP, and specialists, specifically hired or seconded to manage the new SACP activities. The list of the staff in the National Project Management Unit of SACP is provided in the PIM, as well as the draft TOR for all SACP officers in the NPCU and for key private service providers. The JMU will be based in Harare, close to the MLAWRR premises.
134. In order to smoothly manage the field operations, SACP will establish four Provincial Project Implementation Units (PPIU), covering Matabeleland North, Mashonaland Central, Mashonaland East, Mashonaland West and Midlands provinces. The implementation of the two districts of Kwekwe and Chirumanzu in the Midlands province will be the responsibility of Matabeleland

North and Mashonaland West PPIUs, respectively. The list of PPIU officers in the four SACP provinces is provided in the PIM, as well as their draft terms of references. At the district level, the implementation will be carried out through Agritex extension network, who form implementation teams in the districts covered by SACP. The district-level field operations will be supported by SACP-resourced staff from other public institutions and private sector service providers. The SACP budget includes adequate resources for field staff mobility and good telephone and internet connectivity to facilitate easy outreach to the SACP-supported communities and to improve the chances of reaching the SACP implementation targets in an effective manner.

135. Component 1 implementation arrangements and workflow consists of the following key phases: (1) SACP calls for Expressions of Interest (Eol); (2) Agribusinesses and APGs submit their Eols; (3) SACP national Eol shortlists eligible VC Lead Enterprise candidates; (4) APGs and microenterprises receive comprehensive training packages; (5) VC LEs, Microenterprises and APGs submit their Full Investment Proposals; (6) MG Technical Assessment Committees (TACs) evaluate the proposals received and make MG recommendations; for smaller APG and MSME grants, the approval of grants is made by the Provincial TACs; (7) For Lead Enterprise Category, IFAD No Objection is required, followed by the National Level Investment Committee's final decision on these large grants; (8) Grant-financed project implementation, reporting and M&E; and (9) establishment and implementation of the Credit Line for VC Lead Enterprise support.
136. Agritex will be the main implementing partner of the Component 2. An interdepartmental team made up of Agritex, District Development Fund (DDF) and Rural District Council (RDC) and the SACP Social Inclusion Mobilisation Specialist, will identify and screen eligible beneficiaries and interventions, prepare studies and designs, and monitor implementation in each ward following the process outlined above for the selection and implementation of community investments. The team will be assisted by one Technical Assistance Engineer recruited at each provincial SACP Unit, and with one Engineer at NPMU. The Agritex, RDC and DDF district staff will lead the implementation of the community consultation activities, and Agritex, Department of Irrigation (DoI) and Department of Mechanisation (DoM) at provincial level will support, monitor, and follow up the implementation.
137. Specific interventions in each ward will be identified through community dialogues led by the RDC and Agritex, with participation of all members of the inter-departmental team. The inter-departmental team, in consultation with gender-balanced beneficiary households and community-based organisations and with local consultants, will assess the feasibility of prioritized proposals and select the ones for implementation. The technical feasibility studies under Component 2 will be undertaken by the department with the necessary competence for the selected activity. The DoI will undertake irrigation feasibility studies, and DDF will undertake the feasibility assessment for roads and water supply systems. In the screening for environmental and social risks, EIAs and EMPs will be elaborated with the support of the Environmental Management Agency officers.
138. Implementation responsibility for Sub-component 3.1 activities is with the National PMU. To achieve successful and sustainable results, adequate resources are provided by SACP to recruit high quality local and international experts to support the conduct the required studies and to assist in the facilitation of the related workshops, discussion forums and other events.

b. Financial Management, Procurement and Governance

Financial Management

1. **SACP Financial Management (FM) System.** The financial management assessment for the project at design foresees a high inherent risk, mitigated with SACP actions to "substantial". The financial environment within which the project will operate poses spill over effects that affect funds flow as well as the currency challenges especially to local currency transaction that will be incurred by the project. The lead implementing agency, MLWARR has prior experience in the implementation of projects financed by IFAD. The GoZ will externally recruit a Chief Accountant and second a Financial Accountant at the National PMU, both with appropriate qualifications and experience, to solely focus on the programme-related financial management tasks. IFAD will provide comprehensive training to the programme finance team on the IFAD's financial management requirements and disbursement procedures at programme start-up as well as provide on-going coaching during supervision missions.
2. **Flow of Funds.** MLWARR will operate designated Accounts (DAs) in a commercial bank acceptable to GoZ for external financing sources from IFAD and OPEC Fund, respectively. This being a mitigation measure adopted by various development actors in the country to guarantee availability. The bank accounts will be managed by the NPMU which will be charged with the preparation of all disbursement requests and justifications. Programme expenditures in foreign currency will be paid from the US\$ designated account to mitigate the risks of procurement delays from lack of foreign currency. MLWARR also will open two operating bank accounts at a commercial bank to receive and hold the financing transferred from the Designated accounts from which programme costs in local currency shall be met. The replenishment of the Designated Account will be done in accordance with the disbursement rules and procedures of the IFAD. SACP will use standard IFAD disbursement methods including direct payment method for bigger payments (over US\$ 100,000) and the replenishment method using the designated account.
3. GOZ will fund taxes and duties on programme expenditures through tax waivers on imported goods and services. The government will maintain separate dollar account to provide for funds to cover for taxes. Transfers of these funds to the project operating account meet the taxes will be done on a quarterly basis in the foreign currency to mitigate potential currency mismatch risks. Other GoZ contributions shall be in form of salaries to seconded staff and provision of office space.
4. Programme grantees under the matching grants facility for value chain investments will be required to open specific bank accounts for receipt of grant funds and for banking their own matching contribution. Matching grants assessed and fully meeting set criteria for disbursement will be expensed at the point of disbursement and will be included in the withdrawal application at that point.
5. **Accounting and Reporting.** The SACP NPMU will be the financial management and reporting hub, responsible for posting, reconciling, and reporting on programme finances. The accounting of SACP will be done through an off-the shelf accounting software to be procured at the onset of the programme and installed at the NPMU with customisation to generate financial reports for GoZ and for IFAD to disclose use of funds by component, sub-component, activity, cost category and each of the

funding sources, and will incorporate budgetary control at activity level. IFAD will continuously review the Grants Module of the Public Financial Management System (PFMS) during implementation to determine its readiness for SACP accounting. The accounting software will be customised to generate required financial statements and other reports, including the “smart SOEs”. SACP’s financial reporting will be in accordance with the International Public Sector Accounting Standards (IPSAS) - accrual basis adopted for all GoZ donor-financed programmes. The expenditure to be recognised and documented to IFAD will only be those which have already been paid out. Any accrued expenditure at the close of the reporting period should be processed and paid subsequently in line with payments processing procedures. Audited financial statements will clearly describe in notes to the financial statements any accrued expenditure.

6. The NPMU will prepare and submit to IFAD annual audited financial statements, and separate half yearly interim financial reports in accordance with IFAD guidelines.
7. **Internal control function.** The Internal Audit Office of MLAWRR will undertake SACP’s internal audit at least once per annum, as the NPMU will be a part of MLAWRR. The unit is adequately resourced with suitably qualified personnel. This will form part of the normal internal control mechanism within the project and the review reports will be shared with IFAD during missions.

139. External audits for the project will be performed by independent private firms during the initial years of implementation in line with guidelines spelt out in the IFAD Handbook on Financial Report and Auditing for IFAD funded projects. IFAD will continuously perform reviews together with the Office of the Auditor General of Zimbabwe to assess its readiness in staffing capacities to conduct audits for IFAD funded projects. The audit will provide an opinion on the financial statements as well as ensure a review of the internal control framework of the project for which a management letter will always be issued together with the audited financial statements.

Procurement

140. **PRM Assessment.** At its design phase, the project scores an inherent medium procurement risk of 2.02 (from substantive of only 0.02). The weaknesses of the Zimbabwe procurement system lie mainly at the procurement planning and contract administration and management stages. They can be addressed through the specific and targeted corrective measures stipulated in the PRM and PIM. The revisions are susceptible to improve the risk from a high-end medium to a low-end medium risk.

141. **Procurement Regulations.** Procurement will be conducted in accordance with the Statutory Instrument (SI) 5 of 2018 “The Public Procurement and Disposal of Public Asset” CAP. 22:23. The SI provisions do not comprehensively address processes related to consulting and non-consulting services. Therefore, IFAD’s Standard Bidding Documents and Procurement Handbook shall be used in lieu of national systems. The execution of the first procurement plan activities will only start following the publication of the General Procurement Notice. As far as applicable and to ensure smooth implementation throughout the project’s lifetime, similar activities will be packaged together following IFAD’s guidance on the matter. Similarly, the project will seek framework agreements for routine and iterative purchases (works and services). Thresholds for the selection of the procurement modality under each commodity shall be those set out by IFAD. The thresholds contained in SI 49 of 2020 will not prevail. Procurement oversight review will be established in accordance with the score obtained in the Procurement Risk Matrix. Revisions related to the PP, including any new procurement arrangements, are subject to IFAD’s prior approval. The Borrower will ensure the PP budgets under each respective activity are updated accordingly and reflect the prevailing market situation. The estimated budgets, as approved by IFAD, will constitute a basis for determining the commercial reasonableness of the actual cost.

142. A Call for Participation will be issued once, in the newspapers, during the first year (2021) and twice-a-year thereafter, for each of the three matching grant categories (APG, MSME and Lead Enterprise). The selection of the beneficiaries under each category will follow a 2-stage procedure and is subject to IFAD’s No Objection. The evaluations will be conducted by the Technical Assessment Committees (TAC) and the results will be subject to IFAD’s no-objection. Furthermore, the assignment of TAC members will be subject to IFAD’s no-objection, with rotation of some TAC members. SACP will provide training for all panel members regarding the selection of MG, with focus on smallholder inclusive value chain development, eligibility criteria of SACP MG mechanism, and integrity principles, conflict of interest, and anti-corruption measures. For each matching grant category, the PIM details the applicable micro-purchasing mechanism, and a simplified guideline will be developed for the beneficiary use. The PIM will include the applicable budget procurement threshold (under each category), above which the procurement activity is subject to the Technical Assessment Committee approval, supported by the Procurement Officer (member of this same committee). A procurement guidance note will be developed to assist the beneficiary in conducting their respective purchases. The beneficiaries will elaborate a business plan including a micro-procurement plan which will be reviewed and approved by the TAC.

143. For the smooth implementation of their respective activities, matching grants will require the support of financial institutions, including also financial literacy training. In this line, limited national competition will be conducted among those interested commercial banks which have branches in the designated districts and provinces.

144. The project will foster the use of frameworks agreements under mini competition for civil works throughout the project, targeting national companies operating in the selected provinces. Goods, works, and consulting services will be procured through the appropriate competitive modality according to the established thresholds. Consultancies and non-consulting services, specifically the recruitment of individual consultants, will be conducted using IFAD’s procurement procedures given the fact these respective processes are not specifically covered under the country’s statutory instruments.

145. **Contract Management of civil works and consulting services.** Similarly to SIRP and to ensure consistency among projects in terms of managing and monitoring contracts, Red Book provisions for civil works contracts will prevail. Small civil works contracts of relatively low complexity can be managed through the Green Book provisions. Contract execution of consulting services will follow the White Book provisions. All concluded contracts will be mandatorily introduced on IFAD Client Portal (ICP) on ad hoc basis by at least two persons from the project team.

146. **Institutional Arrangements.** Procurement activities will be carried out by the NPMU within the MLAWRR and four Provincial PIUs. The MLAWRR will include one Procurement Officer and one Procurement Assistant and the Provincial PMUs one Procurement Assistant, each on a full-time basis. For Component 2, all procurement activities will be centralised at the NPMU level. MLAWRR with the support of the districts will elaborate all technical documents necessary to prepare the solicitation document management. Procurement will be managed by the NPMU, and the contracts will be awarded and issued by NPMU. The management of the technical part of the contract will be assigned to the Districts or DOI as case may be and a project manager will be appointed for each contract. Reception of works, services and goods will be certified by the requesting unit. Necessary procurement training will be undertaken at the project's start-up stage.
147. **Governance Aspects and Anti-corruption Measures.** The Transparency Corruption Perception Index for Zimbabwe scores 24 points (2019), which, although high, has remained relatively stable since 2015. Strengthened efforts are required to ensure that IFAD's procurement principles are observed throughout the project lifetime. Therefore, strict compliance with IFAD's "Revised Policy on Preventing Fraud and Corruption in its activities and operations"^[55] will be required. Similarly, the project will ensure strict adherence IFAD's policy related to preventing Harassment, Sexual Harassment and Discrimination.

L. Planning, M&E, Learning, KM and Communication

a. Planning, M&E, Learning, Knowledge Management and Communication

Planning

148. The logframe of SACP (Annex 1) will guide the development of work plans and budgets for the project. Planning and budgeting will be integrated in the GoZ processes and cycles and will be based on Annual Work Plans and Budgets (AWPBs). These, together with the logframe's quantified results-based indicators and SACP's MIS database, will provide the primary basis for monitoring the SACP progress.
149. At the project start-up, the NPMU will update the Logical Framework and based on that, develop the first AWPB. Thereafter, the PMU will prepare each year a consolidated AWPB based on the principles of results-based planning. Subsequent AWPB processes will offer the opportunities to the NPMU to reflect on lessons from the implementation experience of the previous years, and to propose activities and expenditures required to achieve the intended project outcomes. The Project will have the possibility of revising the AWPB at any time of the year, and any proposed adjustments will require approvals by both the GoZ and IFAD.

Monitoring and Evaluation (M&E)

150. SACP will develop a robust M&E system in compliance with IFAD and the GoZ requirements. The SACP M&E system will (i) collect, analyse and update information on project outputs, outcomes and impact; (ii) support NPMU and the Steering Committee in planning and making informed decisions on SACP strategies and actions; (iii) maintain and strengthen strategic partnerships with stakeholders; and (iv) create opportunities for learning and sharing results. The system will be participatory, gender sensitive and results-oriented while enabling the integration of physical and financial progress reporting. In addition, the system will enable the analysis of climate change vulnerability among the beneficiaries. It will incorporate in-depth baseline (including WEAI), mid-line and completion surveys, as well as qualitative thematic studies as relevant. To ensure quality and to allow IFAD to aggregate results at corporate level, the baseline, mid-line and completion surveys will align to the IFAD guidelines for the measurement of Core Indicators at Outcome level (the COI guidelines). The baseline survey will include context-specific needs assessments of the concrete barriers to smallholder-driven agricultural sector transformation and address pressing information needs for implementation planning. Data on all people-centred indicators will be collected and analysed disaggregated by age and gender.
151. Relevant indicators have been specified in the SACP logframe and, to the extent possible, quantified. The indicators relate to the different levels (output, outcome and impact) and include IFAD Core Indicators (CIs) as well as project specific indicators. At start-up, the SACP will develop a glossary of all the indicators, explaining the meaning of each indicator (including CIs and project specific indicators). The approach is based on the Theory of Change of SACP (Annex 2 of the PDR), and demonstrates the logical links between the results at their different levels, thereby enabling the meaningful analysis of whether the project is on-track towards its planned results even in the first years of implementation when higher-level results are not yet expected. Even if the project, has for ease of measurement, specific Development Objective level indicators, such as 'Rural producers' organization reporting an increase in sales' as well as 'Households reporting adaptation of environmental sustainable and climate-resilient technologies and practices', which are measured separately, these indicators will come together gradually as from the MTR and will be monitored in an integral manner during the project completion and impact assessments.
152. The Programme will set up a Management Information System (MIS) to facilitate the storage, use and analysis of data. Geo-referenced data will be systematically collected on all the indicators related to relevant locations and/or areas. SACP will promote digitalization of the M&E system with portable electronic devices so as to speed up data entry, cleaning, and reporting as well as making management decisions and disseminating the results rapidly at different levels. Furthermore, a digital business plan database will be piloted for the Matching Grant projects.
153. The programme's M&E plan will be refined as part of the first implementation support mission scheduled to take place within the first six months of the programme approval. It will comprise: i) setting up a Management Information System (MIS) to facilitate storage, analysis and use of data; ii) providing clear details on the reporting requirements from different stakeholders; iii) developing standard reporting formats and agreeing on the timeline and modality of reporting from the different implementing partners.
154. Data collection, verification and use will be a joint task by all implementing partners, however, the primary responsibility will lie with the M&E Unit within the JMU. The M&E unit will be composed of a senior M&E officer, and a KM officer. Strong synergies

will be developed between KM and M&E, thereby ensuring that KM products are based on solid M&E evidence and that the understanding and presentation of M&E data is enhanced by the development of knowledge products. The M&E unit will benefit of capacity building activities such as PRIME. In Zimbabwe, the SIRP project has benefitted from M&E capacity building grant PRIME. This support has proven effective, including in particular: (i) helping establish the questionnaires and MIS databases, (ii) building the capacity of the M&E staff, and (iii) creation of regional M&E specialist network, and (iv) linking M&E and KM mechanisms. Synergies with other grant-funded IFAD activities such as AVANTI will also be leveraged as appropriate.

Learning and knowledge management

155. The programme's KM activities will be guided by a robust KM strategy and plan, to improve learning, KM and communication practices within the project. After the project start-up, SACP will, with support from technical IFAD experts, develop an effective SACP Knowledge Management (KM) Strategy. Lessons learnt in implementation will be actively shared between provinces, clusters and districts. Semi-annual review meetings with national and provincial staff and implementing partners will be organised by NPMU to discuss progress towards results in relation to each semi-annual progress report, the format of which will explicitly include a focus on lessons learnt in terms of challenges, good practices, etc. Study tours, exchange visits and learning routes will be organised for lateral knowledge transfer. An effective downward and upward flow of information about project progress to beneficiaries and implementing partners in the field is of utmost relevance in fostering ownership and participation.
156. The KM Strategy will have a strong focus on documenting best practices as well as positive and negative lessons from SACP implementation experience, supported by reliable evidence and analysis. The programme KM plan will promote the key innovations and be aligned to the policy engagement activities of the project. In line with the key areas highlighted for policy engagement, innovation and scaling up, knowledge activities will place a particular focus on the topics mentioned under Sub-component 3.1. and required resources for studies and reviews and VC and policy workshops and events are provided therein. In addition, and again in line with the policy engagement agenda, KM activities will pay attention to: (i) contract farming, and (ii) mainstreaming themes, in particular nutrition sensitive value chains and economic empowerment of women. The wider adoption of SACP's documented best practices will be an important measure of its success in knowledge management, especially as SACP is expected to represent a start for a programming approach in smallholder-based VC development, with other investments of the same type to follow with funding from key international financiers.

b. Innovation and scaling up

157. The core of the approach of SACP, private company-led transformation of smallholder agriculture, is not as such an innovation in Zimbabwe. Numerous operations of this nature were earlier operational and doing well in this country. The critically important challenge is to revive this approach to rural development and link smallholders to various value chains with opportunities of substantially higher income generation and improved nutrition levels than is the case today. With the programming approach, success in SACP can lead to follow-on projects with IFAD funding. Furthermore, if the experiences and results from SACP implementation are positive, they are likely to influence the project designs of the larger international financiers, too, when their lending to Zimbabwe resumes.
158. Within the above overall approach, SACP aims to introduce new, innovative and smart agricultural methods to practically all short or long value chains it will support. At the same time resources will be made available to new, innovative practices to food consumption on the farms, to improve the health and nutrition status of the SACP target group.

M. Project Target Group Engagement and Feedback, and Grievance Redress

a. Project Target Group Engagement and Feedback.

159. The main modalities for gathering information on smallholders' priorities and needs will be the community consultations, as part of the APG and microenterprise mobilisation under Component 1. Meetings will be organised through the local traditional leadership and notices about meetings will be posted in public places encouraging participation of youth, women, men, and people living with disabilities. Meetings will be organised at venues and times that allow women and people living with disabilities to participate. The consultations will take the form of townhall meetings in each community where the project objectives and principles of participation will be explained in local languages and feedback obtained from the communities including their expectations from their participation in the project. Separate breakaway sessions will be organised for women and youth in order to allow them to participate freely. The consultations will be minuted and records kept both at community and project levels. Subsequently, the monitoring of project services delivery will be conducted through quarterly reports from the APGs in each cluster that will be formed. The project log-frame includes indicators on the satisfaction of beneficiaries with project services, as well as on the degree to which beneficiaries are able to influence decisions. The project M&E system will regularly collect data on both of these indicators.
160. Priorities for Component 2 will be gathered through community consultations at the ward level as part of the participatory infrastructure investment planning. At least two dialogues will be organised in each community to inform the stakeholders about the project, discuss the priority infrastructure and select specific investments based on an agreed criterion. Records of the dialogues will be kept at ward and project level.
161. The feedback and reports from the APGs, MEs and infrastructure oversight committees will be utilised by the District and Provincial Project Implementation teams to review the progress being made in SACP-supported activities. The feedback will inform the bi-annual reviews and project implementation planning process at the provincial and central levels and enable the adaptive management and decision making by the teams.
162. The screened and selected investments will be publicly disclosed, and originators of unsuccessful proposals informed with

reasons provided by the Technical Assessment and Investment Committees. Capacities of the APG committees, community-based organisations and oversight committees will be strengthened through the training by the project teams particularly in social inclusion and implementation monitoring.

b. Grievance redress.

163. SACP grievance redress processes will build on the existing structures at Ward, District and Provincial level. Under Component 1, any grievances will be registered and resolved through the APG committee. Any grievances that cannot be addressed will be reported to the Ward Development Committees (WaDCos). WaDCos, as the central planning authorities, who oversee and coordinate development plans, will be the first port of call for registering and resolving any grievances related to the Component 2 project activities. Any grievances that cannot be resolved at this level will be reported to the Rural District Councils, which will have representation in the project implementation. Beyond the District Councils, grievances will be addressed through Provincial Councils.
164. The project teams, at the national and provincial levels, will provide information on the grievance redress mechanism available and messages regarding the zero tolerance for sexual exploitation and abuse (SEA) as well as the policy on preventing fraud and corruption. At the district and ward level the consultation processes will provide information on the zero tolerance, prevention, and reporting of any incidence. The information on the policies will be made available through all SACP contracts and on project documents such as leaflets and matching grants proposal templates. Transparency will be promoted through the call for proposals for both components and the technical assessment and investment committees that will be established.

N. Implementation plans

a. Supervision, Mid-term Review and Completion plans.

Supervision, Mid-term Review and Completion Plans

165. **Supervision.** SACP will be directly supervised by IFAD with annual supervision and implementation support missions, followed initially by shorter follow-up missions as needed, organised with the participation of the GoZ. Continuous implementation support will be provided to the project, as required, by staff from IFAD's technical divisions. The supervision and implementation support will be particularly intense during the 18 first months of implementation to assure the strategic approach and the correct set up of financial management, procurement and M&E. Supervision will be used as an opportunity to assess achievements and lessons jointly, and to reflect on ways to improve the SACP implementation and impact. The focus of these missions will be on: (i) development impact based on progress measured against agreed indicators; (ii) joint identification of implementation challenges and solutions with implementers and beneficiaries, and agreement on actions to achieve project objectives; and (iii) ensuring compliance with loan covenants, procurement and efficient use of project funds.
166. **Mid-term Review (MTR).** As SACP is a six-year project, an MTR will be undertaken towards the end of third year of SACP implementation. The MTR will be jointly organised by the GoZ and IFAD in close collaboration with the other stakeholders.
167. **Project Completion Report (PCR).** At the end of project implementation period, the GoZ in collaboration with IFAD will undertake a project completion review exercise, in order to report on the results and impact achieved. The PCR would need to be finalised before the project closing date, which will be six months after the completion date. As part of the completion activities, a Beneficiary Impact Assessment will be undertaken, and findings used to inform the PCR. The lessons documented in the impact assessment and PCR will be used by both IFAD and the GoZ to improve the quality of the future project designs and implementation.

Implementation Readiness and Start-up Plans

168. A draft Project Implementation Manual (PIM) has been prepared. In addition, a draft AWPB and a draft procurement plan, for the first 18 months of project implementation, have been prepared, as part of the SACP design process. These documents aim to ensure that the project implementation starts as scheduled, without unnecessary delays during the first project year. The Joint Management Unit with SIRP, with its experience and lessons learned and the shared professionals within the JMU with hands-on project planning and implementation experience, is expected to speed up the project start-up. The comprehensive guidelines and detailed procedures agreed for the first calls for APGs and agri-enterprises to participate in the SACP activities also aim at a fast and smooth start of the SACP implementation immediately after the project effectiveness.

Footnotes

- [1] IMF (2020)
- [2] One beneficiary represents five persons which is the average size of the household in Zimbabwe
- [3] World Bank: "Climate-Smart Agriculture in Zimbabwe", 2019.
- [4]http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/ZWE.pdf
- [5] As per the Zimbabwe Poverty Report 2017.
- [6] For further analysis, see for instance: GoZ and the World Bank: "Zimbabwe Public Expenditure Review", 2019.
- [7] 2019 World Bank Doing Business Report.
- [8] For further analysis, refer to: GoZ and the World Bank: "Zimbabwe Public Expenditure Review", 2019.
- [9]<https://www.imf.org/en/News/Articles/2020/02/26/pr2072-zimbabwe-imf-executive-board-concludes-2020-article-iv-consultation>
- [10] <https://data.humdata.org/dataset/inform-covid-19-risk-index-version-0-1-2>
- [11] In spite of the arrears, the World Bank and African Development Bank have non-lending programmes in Zimbabwe focusing on technical assistance, capacity building and post-Idai recovery.
- [12] Scoones, I., Mahenehene, J., Marongwe, N., Mavedzenge, B., Murimbarimba, F., & Sukume, C. (2010). Zimbabwe's land reform: myths & realities.
- [13] Zimbabwe National Agriculture Policy Framework 2018-2030.
- [14] The 2020 National Budget Statement. Minister of Finance and Economic Development, Zimbabwe, November 2019.
- [15] Zimbabwe National Agriculture Policy Framework, 2018-2030.
- [16] <http://hdr.undp.org/en/composite/GII>
- [17] FAO (2017) Zimbabwe Agriculture Gender Assessment Report
- [18] According to ZIMSTAT Poverty, Income, Consumption and Expenditure Survey Report of 2011/12, about 85% of the economically active persons do not have permanent paid jobs.
- [19] ZIMSTAT (2019). Labour Force Child Labour Survey report.
- [20]<https://www.globalhungerindex.org/pdf/en/2019/Zimbabwe.pdf>
- [21]<https://www.dandc.eu/en/article/due-malnutrition-many-poor-children-zimbabwe-suffer-stunted-growth>
- [22] Zimbabwe Demographic and Health Survey (2015 ZDHS)
- [23] Multiple Indicator Cluster Survey (MICS) (2019)
- [24] Zimbabwe environmental 2. Outlook <https://www.ema.co.zw/agency/state-of-the-environment-report>
- [25] Ibid
- [26] CIAT/World bank, 2019
- [27] Benitez, P., Boehlert, B., Davies, R. and van Seventer, D. (2018). Assessment of the Potential Impacts of Climate Variability and Shocks on Zimbabwe's Agricultural Sector. World Bank Report.
- [28] USAID. (2019). Southern Africa – Tropical Cyclone Idai – Fact Sheet #9 FY2019, April 25, 2019. Available at <https://www.usaid.gov/cyclone-idai/fy19/fs9> [Accessed August 2019]
- [29] Zimbabwe environmental 2. Outlook <https://www.ema.co.zw/agency/state-of-the-environment-report>
- [30] ZIMSTAT, 2019
- [31] IFAD: Zimbabwe: Country Strategic Opportunities Programme: 2020-2026, p. 7.
- [32] See: (i) World Bank Public Expenditure Review with Focus on Agriculture Sector, Zimbabwe, 2019, (ii) IMF Staff Monitored Programme, 2019
- [33] ITC Trademap, 2020: in 2018, tobacco exports represented 80% of Zimbabwe agriculture sector exports.
- [34] https://snv.org/cms/sites/default/files/explore/download/rarp_commercialising_smallholder_farming.pdf
- [35] http://www.zagp.org.zw/Content/Uploads/ZAGP_Profile.pdf

[36] www.greenenterprize.org

[37] Experience recorded in stakeholder meeting with IFAD SIRP project and NGOs including Practical Action, ADRA (Adventist Development and Relief Agency), CIMMIT and SNV.

[38] The corridors are (i) Beitbridge- Masvingo-Harare; (ii) Beitbridge-Bulawayo-Victoria Falls; (iii) Beitbridge-Masvingo-Forbes; (iv) Harare-Chirundu; (v) Harare-Nyamapanda; and (vi) Plumtree-Byo-Harare-Forbes Border.

[39] SACP Districts in target provinces are as follows. Matebeleland North Province: Hwange; Binga, Tsholotsho and Lupane districts; Mashonaland West Province: Chegutu, Mhondoro-Ngezi, Zvimba, and Sanyati districts; Mashonaland Central Province: Rushinga, Mt Darwin, Muzarabani, and Shamva districts; Mashonaland East Province: Goromonzi, Murehwa, Mutoko, Uzumba Maramba-Pfungwe (UMP) districts; Midlands Province: Kwekwe, Chirumanzu districts.

[40] The initially identified eight clusters cover the following wards and crops/livestock activities: *Cluster 1* covers wards in Rushinga, Mt Darwin, Muzarabani and Shamva and value chains include sesame and traditional grains; *Cluster 2* covers wards in Rushinga, Mt Darwin, Muzarabani and Shamva and include sheep and goats; *Cluster 3* covers wards in Goromonzi, Murehwa, Mutoko, UMP and include a variety of horticulture crops; *Cluster 4* covers wards in Goromonzi, Murehwa, Mutoko, UMP and focuses on small livestock; *Cluster 5* covers wards in Chegutu, Mhondoro Ngezi, Zvimba, Sanyati and Chirumanzu and the focuses on maize and citrus; *Cluster 6* covers wards in Chegutu, Mhondoro Ngezi, Zvimba, Sanyati and Chirumanzu and includes poultry and piggery; *Cluster 7* covers wards in Hwange, Binga, Lupane, Nkayi and Kwekwe districts and focuses on traditional grains; and *Cluster 8* covers wards in Hwange, Binga, Lupane, Nkayi and Kwekwe districts and focuses on beef and goats value chains.

[41] Category A – chronically poor and unable; Category B1 – chronically poor, but able; Category B2 – transiently poor and Category C – self-sufficient. (refer to PIM for further details on the definitions of each Category).

[42] The distribution of SACP beneficiary households (HHs) as per poverty categories is as follows: (a) Category A: 10,940 HHs; (b) Category B1: 16,400 HHs; (c) Category B2: 40,000 HHs; and (d) Category C: 10,900 HHs.

[43] One beneficiary represents five persons, which is the average size of the household in Zimbabwe.

[44] The total outreach for MSMEs is 11,200 beneficiary households and the outreach for Lead Value Chain Enterprises is 17,040 beneficiary households making a total of 28,240 beneficiary households. However, 13,000 MSMEs/LVCE suppliers are from the APGs and double counting is eliminated to make a total outreach of 15, 240 non-APG members beneficiary households.

[45] More detailed descriptions of SACP activities and the implementation arrangements are provided in Annex 8: Project Implementation Manual (PIM).

[46] As background analysis, the interest of private sector to participate in SACP activities was confirmed by a survey made with 22 agribusinesses during the design mission. It was found that in Zimbabwe, the agribusiness sector remains diversified and has high recovery potential. The trading statistics confirm that agriculture production including for export are picking up after the slump of last decade. See details in the PIM.

[47] See draft Table of Contents for each manual in the attached PIM

[48] The BDS consultants will be either from NGOs or the private sector. The recruitment of these is subject to IFAD's no-objection.

[49] Topics will include group/business management, operational planning, financial management (FM), procurement and marketing.

[50] <https://play.google.com/store/apps/details?id=zw.co.kurimamari&hl=en>

[51] These will include concepts such as "saving for a Purpose", borrowing, interest rates, collateral, bank transactions, payments, and use of mobile and digital banking.

[52] The study is financed by Adaptation for Smallholder Agriculture Programme, Phase II (ASAP 2) and implemented in collaboration with Wageningen Centre for Development Innovation (WCID)

[53] Community-based interventions to promote diversified household food production will include community green gardens, small livestock, forestry products for household consumption, and others that will be identified during implementation.

[54] The design mission assessed the physical presence of financial institutions in target areas and identified potential partner banks. The assessment is available in the design package.

[55] https://www.ifad.org/documents/38711624/40189363/fraudpolicy_eb86_e.pdf/e2ae80aa-e423-4d7c-a582-c01c1917b427

Zimbabwe

Smallholder Agriculture Cluster Project Project Design Report

Annex 1: Logframe

Mission Dates: 25 May - 19 June 2020
Document Date: 28/01/2021
Project No. 2000002341
Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department

Smallholder Agriculture Cluster Project

Logical Framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	1.b Estimated corresponding total number of households members				MIS	Monthly	PCU	The number of woman-headed HH targeted is lower than the number of women targeted because the project will also directly target women in men-headed households
	Household members	0	200000	391200				
	1.a Corresponding number of households reached				MIS	Monthly	PCU	
	Women-headed households		15000	30000				
	Households	0	40000	78240				
	1 Persons receiving services promoted or supported by the project				MIS	Monthly	PCU	
	Females	0	20000	39120				
	Young		10000	23472				
	Total number of persons receiving services	0	40000	78240				
Project Goal Increased household incomes	Smallholder income level in target districts				BL/MLS/ELS	3 years	NPMU	Improved macro-economic conditions; Baseline of US\$483 to be confirmed by survey.
	US\$ HH average in target districts / year (% increase)		5	20				
	US\$ Project beneficiary / year (% increase)		15	50				
	US\$ Women headed HH (% increase)		15	50				
	US\$ APG member / year (% increase)		25	100				
Development Objective Increased smallholder participation in climate smart, market oriented value chains	2.2.5 Rural producers' organizations reporting an increase in sales				AOS/ELS	Annual	NPMU	Baseline values through baseline survey
	Number of Rural POs	0	400	720				
	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				AOS/ELS	Annual	NPMU	
	Households	0	15000	30000				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Percentage of households satisfied with project supported services				AOS/ELS	Annual	NPMU	
	Households	0	80	80				
Outcome Component 1 - Outcome: Inclusive Value Chain Development	2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities				MIS	Quarterly	NPMU	Baseline values through baseline survey (CIs 2.2.3 & 1.2.4); GoZ will engage external BDS service providers; Interest of private sector to participate; Grant activated; Baseline by survey (CI 1.2.9); WEIA index to be determined at baseline and end-line survey (IE 2.1).
	Number of POs	0	400	720				
	Number of bankable business plans completed				MIS	Quarterly	NPMU	
	# Groups	0	400	800				
	# MSMEs	0	125	200				
	# VC lead enterprises	0	30	40				
	1.2.4 Households reporting an increase in production				MIS	Quarterly	NPMU	
	Women-headed households	0	4000	12000				
	Households	0	10000	30000				
	2.2.1 New jobs created				AOS/ELS	Annual	NPMU	
	New jobs	0	1000	2000				
	1.2.5 Households reporting using rural financial services				COI survey	MTR and Endline	NPMU	
	Households							
	1.2.9 Households with improved nutrition Knowledge Attitudes and Practices (KAP)				COI survey	MTR and Endline	NPMU	
	Women-headed households		4500	9000				
	Households (number)		9000	18000				
	IE.2.1 Individuals demonstrating an improvement in empowerment				COI survey	MTR and Endline	PCU	
	Young	0						
	Total persons	0						

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Females	0						
Output Component 1 - Outputs	2.1.3 Rural producers' organizations supported				MIS	Quarterly	NPMU	GoZ will engage external BDS service providers (CI 1.1.4); GoZ will engage external CSA service providers (CI 3.1.4); APGs completed viable business plans; Interest of private sector to participate
	Rural POs supported	0	650	800				
	1.1.4 Persons trained in production practices and/or technologies				MIS	Quarterly	NPMU	
	Total number of persons trained by the project	0	12000	24000				
	Women trained in crop	0	3600	7200				
	Young people trained in crop	0	1800	3600				
	Women trained in livestock	0	1800	3600				
	Young people trained in livestock	0	900	1800				
	Women trained in fishery	0	600	1200				
	Young people trained in fishery	0	300	600				
	Total persons trained in crop	0	7200	14400				
	Total persons trained in livestock	0	3600	7200				
	Total persons trained in fishery	0	1200	2400				
	3.1.4 Land brought under climate-resilient practices							
	Hectares of land	0	12000	24000				
	2.1.2 Persons trained in income-generating activities or business management				MIS	Quarterly	NPMU	
	Females	0	7500	12250				
	Young	0	3750	6125				
	Persons trained in IGAs or BM (total)	0	15000	24500				
	APG matching grants disbursed				MIS	Quarterly	NPMU	
# young group members	0	3000	6000					

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	# Groups	0	400	800	MIS	Quarterly	NPMU	
	# Group members	0	12000	24000				
	# female group members	0	6000	12000				
	MSME and Lead Enterprise matching grants disbursed							
	# MSMEs with female lead		40	70				
	# MSMEs with youth lead		30	50				
	# VC lead enterprises with female lead		10	15				
	# MSMEs	0	125	200				
	# VC lead enterprises	0	30	40				
	1.1.8 Households provided with targeted support to improve their nutrition				MIS	Quarterly	NPMU	
	Households	0	9000	18000				
	Women-headed households	0	4500	9000				
Outcome Component 2 - Outcome: Climate Proofed Value Chain Infrastructure	2.2.6 Households reporting improved physical access to markets, processing and storage facilities				AOS/ELS	Annual	NPMU	Roads completed (CI 2.2.6).
	Households reporting improved physical access to markets		12000	30000				
	Number of communities reporting a significant reduction in the time spent for collecting water				BL/MLS/ELS	3 years	NPMU	
	Communities	0	50	100				
Output Component 2 - Outputs	1.1.2 Farmland under water-related infrastructure constructed/rehabilitated				MIS	Quarterly	NPMU	Villagers mobilized (CI 1.1.2); Constructors available (CI 2.1.5)
	Hectares of land	0	900	1780				
	2.1.5 Roads constructed, rehabilitated or upgraded				MIS	Quarterly	NPMU	
	Length of roads	0	50	150				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outcome 3. Institutional Support and Project Coordination	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment				MIS	Monthly	PCU	Issues identified
	Number	0	6	12				
	Percentage of households reporting they can influence decision-making of local authorities and project-supported service providers				AOS/ELS	Quarterly	NPMU	
	Households	0	40	75				
	Women-headed households	0	40	75				
	Youth headed households	0	40	75				

Zimbabwe

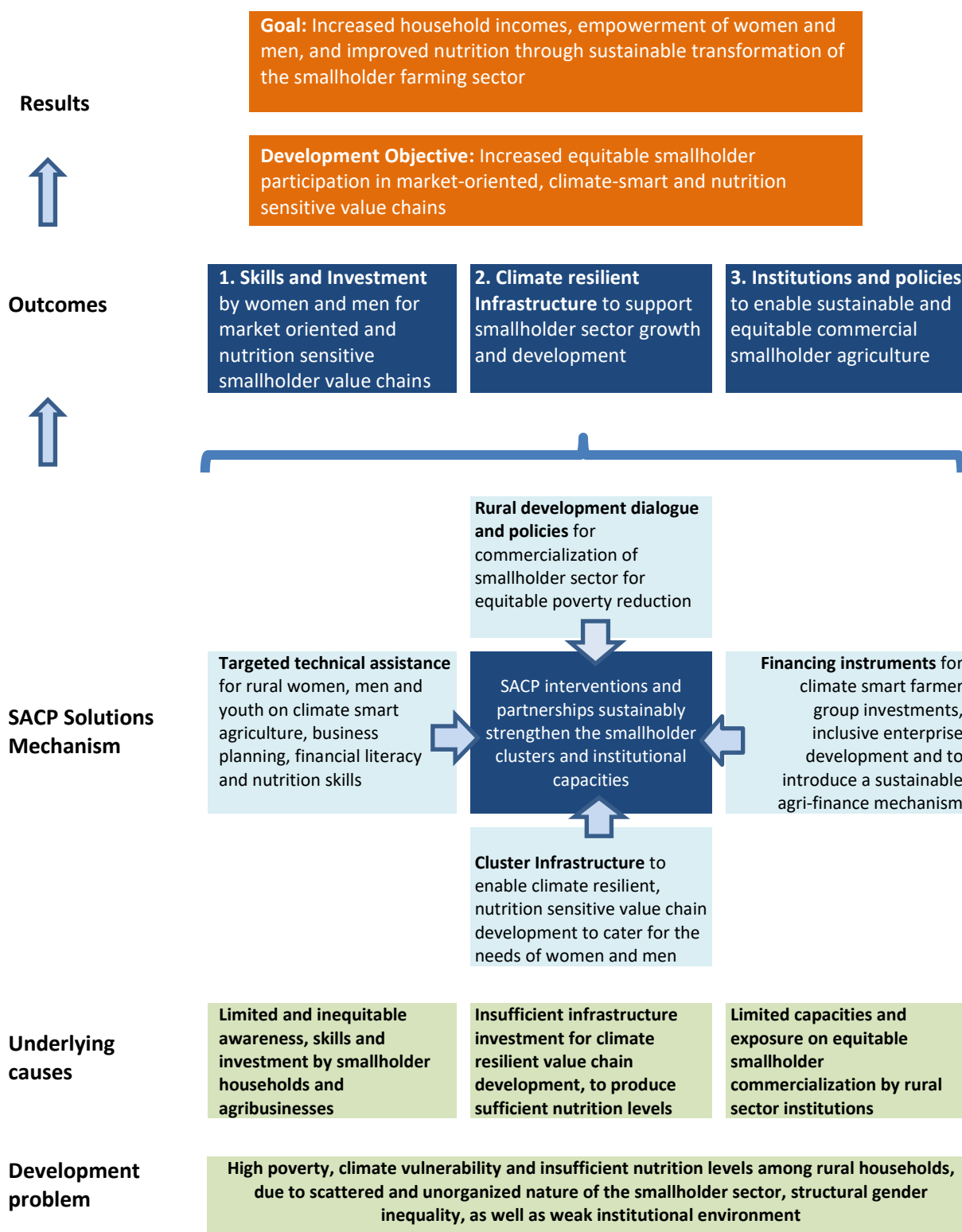
Smallholder Agriculture Cluster Project Project Design Report

Annex 2: Theory of change

Mission Dates: 25 May - 19 June 2020
Document Date: 28/01/2021
Project No. 2000002341
Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department

Annex 2: SACP Theory of Change



Zimbabwe

Smallholder Agriculture Cluster Project

Project Design Report

Annex 3: Project cost and financing: Detailed costs tables

Mission Dates: 25 May - 19 June 2020
Document Date: 28/01/2021
Project No. 2000002341
Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department

Annex 3: Project Costs and Financing

A. Main assumptions

1. **Project duration.** The duration of the SACP implementation is six years with an intended project start in July 2021.
2. **Prices and costs.** Costs have been collected as of June 2020. Costs are entered in US dollars with inflation adjustments. Data were collected by the consultants in the field and via partners and other IFAD projects. The Project costs are presented in USD.
3. **Inflation.** The local inflation is not estimated as costing are in USD.¹ The forecasts of the IMF and the World Bank for the next period estimate continuous moderate level of inflation. Foreign inflation is set at 2 per cent per annum over the Project period, based on the Manufactures Unit Value Index of 15 large economies (MUV15).

Table 1.1 Inflation rates (local and foreign)

	2021	2022	2023	2024	2025	2026
Foreign inflation	2%	2%	2%	2%	2%	2%

4. **Contingencies, taxes and duties.** The parameters assumed for the expenditure categories as listed in Table 1.2).^{2 3}

Table 1.2: Physical contingencies, foreign exchange and taxes/duties

Expenditure accounts	Physical contingencies	Foreign exchange	Duties/taxes
Works	15%	10%	10%
Goods, services and inputs	5%	20%	10%
Equipment and materials	10%	65%	20%
Consultancies – TA – International	-	100%	-
Consultancies – TA – National	-	-	15%
Trainings and workshops	10%	-	10%
Grants and subsidies	-	-	-
Salaries and allowances	-	-	-
Other operating costs	10%	5%	10%

5. The Government of Zimbabwe finances the taxes on all goods and services purchased under the project.

B. Component costs

6. **Total component cost.** The total investment and recurrent cost for the Project is estimated at USD 67.43 million including contingencies. The total base costs are USD 64.82 million. Price contingencies account for USD 2.39 million (4 per cent of the total base costs). Baseline investment costs are estimated at USD 61.79 million

¹ Zimbabwe is experiencing an economic and fiscal crisis. Macroeconomic stability remains a challenge: the economy contracted sharply in 2019, amplified by climate shocks that have crippled agriculture and electricity generation. The newly introduced ZWL\$ has lost most of its value; inflation is very high; and international reserves are very low (IMF Feb 2020). At the time of the project design the annual inflation as of May (year-on-year) was estimated at 786% (Bloomberg, 16 June 2020). Because of these factors, the project costing as well financial and economic analysis has been undertaken in USD.

² The categories applied a consistent with the Standardised Category Descriptions for Loan Grant Allocation Table (Schedule 2) in Financing Agreements, IC/FOD/02/2013, dated 29 August 2013.

³ These values are varied according to specific requirements as needed. Refer to detailed cost tables.

representing 95 per cent of baseline cost. The breakdown of the costs by component is shown in Table 1.3.

Table 1.3 – Components Project Cost Summary

Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Components Project Cost Summary

	(US\$ Million)			%	% Total
	Local	Foreign	Total	Exchange	Base Costs
A. Component 1: Inclusive Value Chain Development					
1. Sub-component 1.1: Cluster Identification and VC Mobilization	0.06	0.00	0.07	4	-
2. Sub-component 1.2: Technical Services for APGs and Agribusinesses	4.08	-	4.08	-	6
3. Sub-component 1.3: Financing for Inclusive VC Investment	36.41	-	36.41	-	56
Subtotal Component 1: Inclusive Value Chain Development	40.55	0.00	40.55	-	63
B. Component 2: Climate Proofed Value Chain Infrastructure	16.74	0.16	16.90	1	26
C. Component 3: Institutional Support and Project Coordination					
1. Sub-component 3.1: Policy and Institutional Support	1.73	0.67	2.40	28	4
2. Sub-component 3.2: Project Coordination	3.80	1.17	4.98	24	8
Subtotal Component 3: Institutional Support and Project Coordination	5.53	1.85	7.38	25	11
D. Component 4: Contingency Emergency Response	-	-	-	-	-
Total BASELINE COSTS	62.82	2.00	64.82	3	100
Physical Contingencies	0.21	0.00	0.21	-	-
Price Contingencies	2.32	0.07	2.39	3	4
Total PROJECT COSTS	65.36	2.07	67.43	3	104

7. **Component costs.** The Project costs comprise three components as follows. Component 1 Inclusive Value Chain Development is estimated at USD 40.55 million or 63 per cent of the base costs. This component comprises: Sub-Component 1.1 Cluster Identification and VC Mobilization USD 0.07 million or <1 per cent of base costs; Sub-Component 1.2 Technical Services for APGs and Agribusinesses USD 4.08 million or 6 per cent of base costs; and, Sub-component 1.3: Matching Grants for Inclusive VC Investment USD 36.41 million or 56 per cent of base costs. Component 2 Climate Proofed Value Chain Infrastructure is estimated at USD 16.9 million or 26 per cent of base costs. Component 3: Institutional Support and Project Coordination is estimated at USD 7.38 million or 11 per cent of base costs. This component comprises: Sub-component 3.1: Policy and Institutional Support USD 2.40 million or 4 per cent of base costs; and Sub-component 3.2: Project Coordination USD 4.98 million or 8 per cent of base costs. Further breakdown is shown in Table 1.3 above. Component 4 (Contingency Emergency Response), which is not costed, has been included to enable IFAD to respond urgently in its support to smallholder farmers, who are the most impacted.

C. Financing plan

8. **Component cost by financier.** An IFAD loan will finance USD 35.69 million or 52.9 per cent of total project costs. The IFAD loan includes: USD 30.65 million or 71.6 per cent for Component 1: Inclusive Value Chain Development for which the total cost is USD 42.78 million; and, USD 5.04 million or 65.1 per cent of Component 3: Institutional Support and Project Coordination for which the total cost is USD 7.74 million. The amount of climate finance is estimated at US\$14.06 million (adaptation), corresponding to approximately 13 per cent of the IFAD loan.

9. The OPEC Fund for International Development (OFID) will finance USD 15 million of Component 2 Climate Proofed Value Chain Infrastructure or 88.7 per cent of that component.

10. The smallholders (Agriculture Producer Group members) will finance USD 4.20 million or 6.2 per cent of the total project costs. The agribusiness sector will finance USD 7.23 million or 10.7 per cent of the total project costs. Co-financing from the

beneficiaries and the private sector with both take place within the financing activity under the Sub-component 1.3: Financing for Inclusive VC Investment.

11. The Government will finance USD 4.61 million in the form of shared costs for Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Institutional Support and Project Coordination, as well as taxes and duties comprising 2.3 per cent of the total project costs. The SACP financing plan is shown in Table 1.4

Table 1.4 – Disbursement Accounts by Financiers

Republic of Zimbabwe
Smallholder Agricultural Cluster Proj
Disbursement Accounts by Financiers
(US\$ '000)

	IFAD Loan		OFID		Smallholders		Agribusiness		Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Works	-	-	13,961	88.0	-	-	-	-	1,908	12.0	15,869	23.5
2. Grants & Subsidies	24,044	67.8	-	-	4,204	11.9	7,227	20.4	-	-	35,476	52.6
3. Goods, Services & Inputs	1,010	41.3	-	-	-	-	-	-	1,437	58.7	2,447	3.6
4. Equipment and Materials	1,064	66.9	240	15.1	-	-	-	-	287	18.0	1,591	2.4
5. Consultancies	15	85.0	-	-	-	-	-	-	3	15.0	17	-
6. Training and Workshops	4,234	68.3	676	10.9	-	-	-	-	1,287	20.8	6,198	9.2
7. Recurrent Costs	2,703	84.1	122	3.8	-	-	-	-	389	12.1	3,214	4.8
8. Credit	2,617	100.0	-	-	-	-	-	-	-	-	2,617	3.9
Total PROJECT COSTS	35,687	52.9	15,000	22.2	4,204	6.2	7,227	10.7	5,311	7.9	67,428	100.0

12. The SACP financing plan by components and financiers is shown in Table 1.5.

Table 1.5 – SACP Components by Financiers

Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Components by Financiers
(US\$ '000)

A. Component 1: Inclusive Value Chain Development

1. Sub-component 1.1: Cluster Identification and VC Mobilization
2. Sub-component 1.2: Technical Services for APGs and Agribusinesses
3. Sub-component 1.3: Financing for Inclusive VC Investment

Subtotal Component 1: Inclusive Value Chain Development

B. Component 2: Climate Proofed Value Chain Infrastructure

C. Component 3: Institutional Support and Project Coordination

1. Sub-component 3.1: Policy and Institutional Support
2. Sub-component 3.2: Project Coordination

Subtotal Component 3: Institutional Support and Project Coordination

D. Component 4: Contingency Emergency Response

Total PROJECT COSTS

IFAD Loan		OFID		Smallholders		Agribusiness		Government		Total	
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
66	88.8	-	-	-	-	-	-	8	11.2	74	0.1
3,821	85.0	-	-	-	-	-	-	674	15.0	4,495	6.7
26,759	70.0	-	-	4,204	11.0	7,227	18.9	17	-	38,208	56.7
30,646	71.6	-	-	4,204	9.8	7,227	16.9	700	1.6	42,777	63.4
-	-	15,000	88.7	-	-	-	-	1,908	11.3	16,907	25.1
637	25.0	-	-	-	-	-	-	1,911	75.0	2,548	3.8
4,404	84.8	-	-	-	-	-	-	792	15.2	5,196	7.7
5,041	65.1	-	-	-	-	-	-	2,703	34.9	7,744	11.5
-	-	-	-	-	-	-	-	-	-	-	-
35,687	52.9	15,000	22.2	4,204	6.2	7,227	10.7	5,311	7.9	67,428	100.0

D. Appendix 1.1 Summary Cost and Financing Tables

Table 1:	Components Project Cost Summary
Table 2:	Expenditure Accounts Project Cost Summary
Table 3:	Expenditure Accounts by Components – Totals including Contingencies (USD Million)
Table 4:	Project Components by Year -- Totals Including Contingencies (USD Million)
Table 5:	Project Components by Year -- Investment/Recurrent Costs (USD Million)
Table 6:	Components by Financiers (USD Million)
Table 7:	Disbursement Accounts by Financiers (USD '000)
Table 8:	Expenditure Accounts by Financiers (USD '000)
Table 9:	Allocation of Loan Proceed (Loan Agreement Schedule 2)

Appendix 1.1 Summary Cost and Financing Tables

Table 1: Components Project Cost Summary

Republic of Zimbabwe

Smallholder Agricultural Cluster Project

Components Project Cost Summary

	(US\$ Million)			%	% Total
	Local	Foreign	Total	Foreign Exchange	Base Costs
A. Component 1: Inclusive Value Chain Development					
1. Sub-component 1.1: Cluster Identification and VC Mobilization	0.06	0.00	0.07	4	-
2. Sub-component 1.2: Technical Services for APGs and Agribusinesses	4.08	-	4.08	-	6
3. Sub-component 1.3: Financing for Inclusive VC Investment	36.41	-	36.41	-	56
Subtotal Component 1: Inclusive Value Chain Development	40.55	0.00	40.55	-	63
B. Component 2: Climate Proofed Value Chain Infrastructure	16.74	0.16	16.90	1	26
C. Component 3: Institutional Support and Project Coordination					
1. Sub-component 3.1: Policy and Institutional Support	1.73	0.67	2.40	28	4
2. Sub-component 3.2: Project Coordination	3.80	1.17	4.98	24	8
Subtotal Component 3: Institutional Support and Project Coordination	5.53	1.85	7.38	25	11
D. Component 4: Contingency Emergency Response	-	-	-	-	-
Total BASELINE COSTS	62.82	2.00	64.82	3	100
Physical Contingencies	0.21	0.00	0.21	-	-
Price Contingencies	2.32	0.07	2.39	3	4
Total PROJECT COSTS	65.36	2.07	67.43	3	104

Appendix 1.1 Summary Cost and Financing Tables

Table 2: Expenditure Accounts Project Cost Summary

Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Expenditure Accounts Project Cost Summary

	(US\$ Million)			%	% Total
	Local	Foreign	Total	Foreign Exchange	Base Costs
I. Investment Costs					
A. Works	15.87	-	15.87	-	24
B. Goods, Services & Inputs	1.39	0.92	2.31	40	4
C. Equipment and Materials	0.12	0.22	0.34	65	1
D. Vehicles	0.42	0.82	1.24	66	2
E. Consultancies					
1. Technical Assistance					
National Technical Assistance	0.02	-	0.02	-	-
F. Training and Workshops	5.72	-	5.72	-	9
G. Grants and Subsidies	33.80	-	33.80	-	52
H. Credit	2.50	-	2.50	-	4
Total Investment Costs	59.82	1.97	61.79	3	95
II. Recurrent Costs					
A. Salaries and allowances	2.16	-	2.16	-	3
B. Operating costs	0.83	0.04	0.87	4	1
Total Recurrent Costs	3.00	0.04	3.03	1	5
Total BASELINE COSTS	62.82	2.00	64.82	3	100
Physical Contingencies	0.21	0.00	0.21	-	-
Price Contingencies	2.32	0.07	2.39	3	4
Total PROJECT COSTS	65.36	2.07	67.43	3	104

Appendix 1.1 Summary Cost and Financing Tables

Table 3: Expenditure Accounts by Components – Totals including Contingencies (USD million)

Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Expenditure Accounts by Components
- Totals Including Contingencies
(US\$ Million)

	Component 1: Inclusive Value Chain Development			Component 2: Climate Proved Value Chain Infrastructure	Component 3: Institutional Support and Project Coordination		Component 4: Contingency Emergency Response	Total
	Sub-component 1.1: Cluster Identification and VC Mobilization	Sub-component 1.2: Technical Services for APGs and Agribusinesses	Sub-component 1.3: Financing for Inclusive VC Investment		Sub-component 3.1: Policy and Institutional Support	Sub-component 3.2: Project Coordination		
I. Investment Costs								
A. Works	-	-	-	15.87	-	-	-	15.87
B. Goods, Services & Inputs	-	-	-	-	1.78	0.66	-	2.45
C. Equipment and Materials	-	-	-	-	-	0.34	-	0.34
D. Vehicles	-	-	-	0.24	-	1.01	-	1.25
E. Consultancies								
1. Technical Assistance								
National Technical Assistance	0.02	-	-	-	-	-	-	0.02
F. Training and Workshops	-	4.50	0.12	0.68	0.76	0.15	-	6.20
G. Grants and Subsidies	-	-	35.48	-	-	-	-	35.48
H. Credit	-	-	2.62	-	-	-	-	2.62
Total Investment Costs	0.02	4.50	38.21	16.78	2.55	2.16	-	64.21
II. Recurrent Costs								
A. Salaries and allowances	-	-	-	-	-	2.28	-	2.28
B. Operating costs	0.06	-	-	0.12	-	0.75	-	0.93
Total Recurrent Costs	0.06	-	-	0.12	-	3.04	-	3.21
Total PROJECT COSTS	0.07	4.50	38.21	16.91	2.55	5.20	-	67.43
Taxes	0.01	0.67	0.02	-	0.38	0.48	-	1.57
Foreign Exchange	0.00	-	-	0.16	0.71	1.20	-	2.07

Appendix 1.1 Summary Cost and Financing Tables

Table 4: Project Components by Year -- Totals Including Contingencies (USD million)

Republic of Zimbabwe

Smallholder Agricultural Cluster Project

Project Components by Year -- Totals Including Contingencies

(US\$ Million)

A. Component 1: Inclusive Value Chain Development

1. Sub-component 1.1: Cluster Identification and VC Mobilization
2. Sub-component 1.2: Technical Services for APGs and Agribusinesses
3. Sub-component 1.3: Financing for Inclusive VC Investment

Subtotal Component 1: Inclusive Value Chain Development

B. Component 2: Climate Proofed Value Chain Infrastructure

C. Component 3: Institutional Support and Project Coordination

1. Sub-component 3.1: Policy and Institutional Support
2. Sub-component 3.2: Project Coordination

Subtotal Component 3: Institutional Support and Project Coordination

D. Component 4: Contingency Emergency Response

Total PROJECT COSTS

Totals Including Contingencies						
20/21	21/22	22/23	23/24	24/25	25/26	Total
0.04	-	0.04	-	-	-	0.07
0.60	1.08	1.14	1.11	0.56	-	4.50
4.92	9.77	9.96	9.62	3.94	-	38.21
5.55	10.84	11.14	10.74	4.50	-	42.78
0.47	1.08	7.23	6.88	1.24	0.02	16.91
0.40	0.41	0.42	0.43	0.44	0.45	2.55
2.13	0.63	0.67	0.63	0.64	0.49	5.20
2.54	1.05	1.09	1.06	1.07	0.94	7.74
-	-	-	-	-	-	-
8.55	12.97	19.46	18.67	6.81	0.96	67.43

Appendix 1.1 Summary Cost and Financing Tables

Table 5: Project Components by Year -- Investment/Recurrent Costs (USD million)

Republic of Zimbabwe

Smallholder Agricultural Cluster Project

Project Components by Year -- Investment/Recurrent Costs

(US\$ Million)

	Totals Including Contingencies						Total
	20/21	21/22	22/23	23/24	24/25	25/26	
A. Component 1: Inclusive Value Chain Development							
1. Sub-component 1.1: Cluster Identification and VC Mobilization							
Investment Costs	0.01	-	0.01	-	-	-	0.02
Recurrent Costs	0.03	-	0.03	-	-	-	0.06
Subtotal Sub-component 1.1: Cluster Identification and VC Mobilization	0.04	-	0.04	-	-	-	0.07
2. Sub-component 1.2: Technical Services for APGs and Agribusinesses							
Investment Costs	0.60	1.08	1.14	1.11	0.56	-	4.50
3. Sub-component 1.3: Financing for Inclusive VC Investment							
Investment Costs	4.92	9.77	9.96	9.62	3.94	-	38.21
Subtotal Component 1: Inclusive Value Chain Development	5.55	10.84	11.14	10.74	4.50	-	42.78
B. Component 2: Climate Proofed Value Chain Infrastructure							
Investment Costs	0.45	1.06	7.21	6.86	1.21	-	16.78
Recurrent Costs	0.02	0.02	0.02	0.02	0.02	0.02	0.12
Subtotal Component 2: Climate Proofed Value Chain Infrastructure	0.47	1.08	7.23	6.88	1.24	0.02	16.91
C. Component 3: Institutional Support and Project Coordination							
1. Sub-component 3.1: Policy and Institutional Support							
Investment Costs	0.40	0.41	0.42	0.43	0.44	0.45	2.55
2. Sub-component 3.2: Project Coordination							
Investment Costs	1.60	0.11	0.14	0.11	0.10	0.11	2.16
Recurrent Costs	0.53	0.52	0.54	0.52	0.53	0.39	3.04
Subtotal Sub-component 3.2: Project Coordination	2.13	0.63	0.67	0.63	0.64	0.49	5.20
Subtotal Component 3: Institutional Support and Project Coordination	2.54	1.05	1.09	1.06	1.07	0.94	7.74
D. Component 4: Contingency Emergency Response							
Total PROJECT COSTS	8.55	12.97	19.46	18.67	6.81	0.96	67.43
Total Investment Costs	7.97	12.43	18.87	18.13	6.26	0.55	64.21
Total Recurrent Costs	0.58	0.54	0.59	0.54	0.55	0.41	3.21

Appendix 1.1 Summary Cost and Financing Tables

Table 6: Components by Financiers (USD '000)

Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Components by Financiers
(US\$ '000)

A. Component 1: Inclusive Value Chain Development

1. Sub-component 1.1: Cluster Identification and VC Mobilization
2. Sub-component 1.2: Technical Services for APGs and Agribusinesses
3. Sub-component 1.3: Financing for Inclusive VC Investment

Subtotal Component 1: Inclusive Value Chain Development

B. Component 2: Climate Proofed Value Chain Infrastructure

C. Component 3: Institutional Support and Project Coordination

1. Sub-component 3.1: Policy and Institutional Support
2. Sub-component 3.2: Project Coordination

Subtotal Component 3: Institutional Support and Project Coordination

D. Component 4: Contingency Emergency Response

Total PROJECT COSTS

IFAD Loan		OFID		Smallholders		Agribusiness		Government		Total	
Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
66	88.8	-	-	-	-	-	-	8	11.2	74	0.1
3,821	85.0	-	-	-	-	-	-	674	15.0	4,495	6.7
26,759	70.0	-	-	4,204	11.0	7,227	18.9	17	-	38,208	56.7
30,646	71.6	-	-	4,204	9.8	7,227	16.9	700	1.6	42,777	63.4
-	-	15,000	88.7	-	-	-	-	1,908	11.3	16,907	25.1
637	25.0	-	-	-	-	-	-	1,911	75.0	2,548	3.8
4,404	84.8	-	-	-	-	-	-	792	15.2	5,196	7.7
5,041	65.1	-	-	-	-	-	-	2,703	34.9	7,744	11.5
-	-	-	-	-	-	-	-	-	-	-	-
35,687	52.9	15,000	22.2	4,204	6.2	7,227	10.7	5,311	7.9	67,428	100.0

Appendix 1.1 Summary Cost and Financing Tables

Table 7: Disbursement Accounts by Financiers (USD '000)

Republic of Zimbabwe

Smallholder Agricultural Cluster Project

Disbursement Accounts by Financiers

(US\$ '000)

	IFAD Loan		OFID		Smallholders		Agribusiness		Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Works	-	-	13,961	88.0	-	-	-	-	1,908	12.0	15,869	23.5
2. Grants & Subsidies	24,044	67.8	-	-	4,204	11.9	7,227	20.4	-	-	35,476	52.6
3. Goods, Services & Inputs	1,010	41.3	-	-	-	-	-	-	1,437	58.7	2,447	3.6
4. Equipment and Materials	1,064	66.9	240	15.1	-	-	-	-	287	18.0	1,591	2.4
5. Consultancies	15	85.0	-	-	-	-	-	-	3	15.0	17	-
6. Training and Workshops	4,234	68.3	676	10.9	-	-	-	-	1,287	20.8	6,198	9.2
7. Recurrent Costs	2,703	84.1	122	3.8	-	-	-	-	389	12.1	3,214	4.8
8. Credit	2,617	100.0	-	-	-	-	-	-	-	-	2,617	3.9
Total PROJECT COSTS	35,687	52.9	15,000	22.2	4,204	6.2	7,227	10.7	5,311	7.9	67,428	100.0

Table 8: Expenditure Accounts by Financiers (USD '000)

Republic of Zimbabwe

Smallholder Agricultural Cluster Project

Expenditure Accounts by Financiers

(US\$ '000)

	IFAD Loan		OFID		Smallholders		Agribusiness		Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
I. Investment Costs												
A. Works	-	-	13,961	88.0	-	-	-	-	1,908	12.0	15,869	23.5
B. Goods, Services & Inputs	1,010	41.3	-	-	-	-	-	-	1,437	58.7	2,447	3.6
C. Equipment and Materials	288	85.0	-	-	-	-	-	-	51	15.0	339	0.5
D. Vehicles	776	62.0	240	19.2	-	-	-	-	236	18.9	1,252	1.9
E. Consultancies												
1. Technical Assistance												
National Technical Assistance	15	85.0	-	-	-	-	-	-	3	15.0	17	-
F. Training and Workshops	4,234	68.3	676	10.9	-	-	-	-	1,287	20.8	6,198	9.2
G. Grants and Subsidies	24,044	67.8	-	-	4,204	11.9	7,227	20.4	-	-	35,476	52.6
H. Credit	2,617	100.0	-	-	-	-	-	-	-	-	2,617	3.9
Total Investment Costs	32,984	51.4	14,877	23.2	4,204	6.5	7,227	11.3	4,922	7.7	64,214	95.2
II. Recurrent Costs												
A. Salaries and allowances	1,976	86.5	-	-	-	-	-	-	308	13.5	2,285	3.4
B. Operating costs	726	78.2	122	13.2	-	-	-	-	81	8.7	930	1.4
Total Recurrent Costs	2,703	84.1	122	3.8	-	-	-	-	389	12.1	3,214	4.8
Total PROJECT COSTS	35,687	52.9	15,000	22.2	4,204	6.2	7,227	10.7	5,311	7.9	67,428	100.0

Appendix 1.1 Summary Cost and Financing Tables

Table 9: Allocation of Loan Proceed (Loan Agreement Schedule 2)

Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Allocation of Loan Proceeds
IFAD Loan
(US\$ '000)

	Suggested Allocation of Loan Proceeds		Total Project Cost			Average Disbursement %			Loan Amounts						
	Loan Amount	Disbursement %							Total	Unallocated			Allocated		
			Total	Local	Foreign	Total	Local	Foreign		Total	Local	Foreign	Total	Local	Foreign
1. Works	-	-	15,869	15,869	-	-	-	-	-	-	-	-	-	-	-
2. Equipment and Materials	958	67	1,591	540	1,051	67	31	85	1,064	106	17	89	958	152	805
3. Consultancies	13	85	17	17	-	85	85	-	15	1	1	-	13	13	-
4. Grants and Subsidies	21,640	68	35,476	35,476	-	68	68	-	24,044	2,404	2,404	-	21,640	21,640	-
5. Recurrent Costs	2,432	84	3,214	3,174	40	84	84	100	2,703	270	266	4	2,432	2,396	36
6. Training and Workshops	3,811	68	6,198	6,198	-	68	68	-	4,234	423	423	-	3,811	3,811	-
7. Goods, Services and Inputs	909	41	2,447	1,468	979	41	20	73	1,010	101	30	71	909	269	640
8. Credit	2,355	100	2,617	2,617	-	100	100	-	2,617	262	262	-	2,355	2,355	-
Unallocated	3,569	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	35,687	53	67,428	65,358	2,070	-	-	-	35,687	3,569	3,404	165	32,118	30,636	1,482

Loan amounts financed by IFAD Loan

E. Appendix 1.2 Detailed Cost Tables

Table 1:	Cluster Identification and VC Mobilization
Table 2:	Technical Services for APGs and Agribusinesses
Table 3:	Matching Grants for Inclusive VC Investment
Table 4:	Climate Proofed Value Chain Infrastructure
Table 5:	Institutional and Policy Support
Table 6:	Project Co-ordination
Table 7:	Contingency Emergency Response

Appendix 1.2 Detailed Tables

Table 1. Cluster Identification and VC Mobilization

Republic of Zimbabwe

Smallholder Agricultural Cluster Project

Table 1. Cluster Identification and VC Mobilization /a

Detailed Costs

Table 1. Cluster Identification and VC Mobilization /a																
Detailed Costs								Unit Cost (US\$)	Base Cost (US\$ '000)							
Unit	Quantities						20/21		21/22	22/23	23/24	24/25	25/26	Total		
I. Investment Costs																
A. Mobilisation (preparations)																
1. Community Mobilization Consultant																
Specialist Preparation Days	day	5	-	5	-	-	-	10	300	2	-	2	-	-	-	3
Specialist Training Days	day	12	-	12	-	-	-	24	300	4	-	4	-	-	-	7
Specialist DSA	day	12	-	12	-	-	-	24	300	4	-	4	-	-	-	7
Total Investment Costs										9	-	9	-	-	-	17
II. Recurrent Costs																
A. Mobilisation Preparations																
1. Provincial Workshop Participant and Venue																
Travels	day	160	-	160	-	-	-	320	25	4	-	4	-	-	-	8
DSA	day	400	-	400	-	-	-	800	25	10	-	10	-	-	-	20
Full Board at Government Training Centre	day	400	-	400	-	-	-	800	20	8	-	8	-	-	-	16
Workshop venue	day	20	-	20	-	-	-	40	150	3	-	3	-	-	-	6
Total Recurrent Costs										25	-	25	-	-	-	50
Total										34	-	34	-	-	-	67

\a Component 1: Inclusive Value Chain Development / Sub-component 1.1

Appendix 1.2 Detailed Tables

Table 2. Technical Services for APGs and Agribusinesses

Republic of Zimbabwe

Smallholder Agricultural Cluster Project

Table 2. Technical Services for APGs and Agribusinesses /a

Detailed Costs

		Quantities						Unit Cost (US\$)	Base Cost (US\$ '000)							
		20/21	21/22	22/23	23/24	24/25	25/26	Total		20/21	21/22	22/23	23/24	24/25	25/26	Total
I. Investment Costs																
A. 1.2.1 Business Development Services																
1. 1.2.1.1 Lead Enterprise Proposal Preparation Workshop																
Item 1: BDS Specialist Preparation Days	days	11	3	3	1	-	-	18	500	6	2	2	1	-	-	9
Item 2: BDS Specialist Training Days	days	4	8	8	4	-	-	24	500	2	4	4	2	-	-	12
Item 3: Venue for Training Days	days	4	8	8	4	-	-	24	1,000	4	8	8	4	-	-	24
Subtotal 1.2.1.1 Lead Enterprise Proposal Preparation Workshop										12	14	14	7	-	-	45
2. 1.2.1.2 MSME Business Development Services																
Item 1: BDS Specialist Preparation Days	days	60	-	-	-	-	-	60	300	18	-	-	-	-	-	18
Item 2: BDS Specialist Training Days	days	300	600	600	600	300	-	2,400	300	90	180	180	180	90	-	720
Item 3: BDS Specialist DSA cost	days	300	600	600	600	300	-	2,400	75	23	45	45	45	23	-	180
Subtotal 1.2.1.2 MSME Business Development Services										131	225	225	225	113	-	918
3. 1.2.1.3 APG BDS TOT and Coaching																
Item 1: BDS Specialist Preparation Days	days	30	-	30	-	-	-	60	300	9	-	9	-	-	-	18
Item 2: BDS Specialist Training Days	days	30	-	30	-	-	-	60	300	9	-	9	-	-	-	18
Item 3: BDS Specialist Coaching Days	days	600	1,200	1,200	1,200	600	-	4,800	300	180	360	360	360	180	-	1,440
Item 4: BDS Specialist DSA Cost	days	600	1,200	1,200	1,200	600	-	4,800	75	45	90	90	90	45	-	360
Subtotal 1.2.1.3 APG BDS TOT and Coaching										243	450	468	450	225	-	1,836
4. 1.2.1.4 TOTs Participant and Venue Costs																
Item 1: Travels	days	80	-	80	-	-	-	160	25	2	-	2	-	-	-	4
Item 2: DSA	days	240	-	240	-	-	-	480	10	2	-	2	-	-	-	5
Item 3: Full Board at Government Training Centre	days	240	-	240	-	-	-	480	20	5	-	5	-	-	-	10
Item 4: Venue at Government Training Centre	days	10	-	10	-	-	-	20	50	1	-	1	-	-	-	1
Subtotal 1.2.1.4 TOTs Participant and Venue Costs										10	-	10	-	-	-	19
Subtotal 1.2.1 Business Development Services										395	689	716	682	338	-	2,818
B. 1.2.2 CSA Productivity Enhancement																
1. 1.2.2.1 CSA TOT and Coaching																
Item 1: Agritex Specialist Preparation Days	days	10	-	10	-	-	-	20	75	1	-	1	-	-	-	2
Item 2: Agritex Specialist Training Days	days	10	-	10	-	-	-	20	75	1	-	1	-	-	-	2
Item 3: Agritex Specialist Coaching Days	days	200	400	400	400	200	-	1,600	75	15	30	30	30	15	-	120
Item 4: Agritex Specialist DSA Cost	days	210	400	410	400	200	-	1,620	75	16	30	31	30	15	-	122
Subtotal 1.2.2.1 CSA TOT and Coaching										32	60	62	60	30	-	245
2. 1.2.2.2 TOTs Participant and Venue Costs																
Item 1: Travels	days	80	-	80	-	-	-	160	25	2	-	2	-	-	-	4
Item 2: DSA	days	240	-	240	-	-	-	480	10	2	-	2	-	-	-	5
Item 3: Full Board at Government Training Centre	days	240	-	240	-	-	-	480	20	5	-	5	-	-	-	10
Item 4: Venue at Government Training Centre	days	10	-	10	-	-	-	20	50	1	-	1	-	-	-	1
Subtotal 1.2.2.2 TOTs Participant and Venue Costs										10	-	10	-	-	-	19
3. 1.2.2.3 Extensionist Awards per APG success																
Item 1: Award per extensionist	number	100	200	200	200	100	-	800	250	25	50	50	50	25	-	200
Subtotal 1.2.2 CSA Productivity Enhancement										67	110	122	110	55	-	464

Appendix 1.2 Detailed Tables

Table 2. Technical Services for APGs and Agribusinesses (Continued)

Republic of Zimbabwe

Smallholder Agricultural Cluster Project

Table 2. Technical Services for APGs and Agribusinesses /a

Detailed Costs

I. Investment Costs

C. 1.2.3 Improved Nutrition and Food Security

1. 1.2.3.1 Gender/Youth/Nutrition Training Costs

Item 1: GYN Specialist Preparation Days

Item 2: GYN Specialist Training Days

Item 3: GYN Specialist DSA cost

Subtotal 1.2.3.1 Gender/Youth/Nutrition Training Costs

2. 1.2.3.2 Financial Literacy Training Costs

Item 1: FL Specialist Preparation Days

Item 2: FL Specialist Training Days

Item 3: FL Specialist DSA cost

Subtotal 1.2.3.2 Financial Literacy Training Costs

Subtotal 1.2.3 Improved Nutrition and Food Security

Total

Unit	Quantities						Unit Cost (US\$)	Base Cost (US\$ '000)						Total
	20/21	21/22	22/23	23/24	24/25	25/26		20/21	21/22	22/23	23/24	24/25	25/26	
days	10	10	10	10	-	-	40	300	3	3	3	3	-	12
days	200	400	400	400	200	-	1,600	300	60	120	120	120	60	480
days	200	400	400	400	200	-	1,600	75	15	30	30	30	15	120
									78	153	153	153	75	612
days	3	5	5	5	2	-	20	75	0	0	0	0	0	2
days	150	300	300	300	150	-	1,200	75	11	23	23	23	11	90
days	150	300	300	300	150	-	1,200	75	11	23	23	23	11	90
									23	45	45	45	23	182
									101	198	198	198	98	794
									562	997	1,037	990	490	4,076

/a Component 1: Inclusive Value Chain Development / Sub-component 1.2

Appendix 1.2 Detailed Tables

Table 4. Climate Proofed Value Chain Infrastructure

Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Table 4. Climate Proofed Value Chain Infrastructure /a
Detailed Costs

Detailed Costs		Unit	Quantities						Unit Cost (US\$)	Base Cost (US\$ '000)							
			20/21	21/22	22/23	23/24	24/25	25/26		Total	20/21	21/22	22/23	23/24	24/25	25/26	Total
I. Investment Costs																	
A. Participatory Cluster Infrastructure Investment Pla																	
1. Vehicles																	
4WD Twincabs	no	4	-	-	-	-	-	-	4	60,000	240	-	-	-	-	240	
2. Workshops																	
Initial ward vists	no	450	-	-	-	-	-	-	450	250	113	-	-	-	-	113	
First dialogue meetings	no	-	200	250	-	-	-	-	450	250	-	50	63	-	-	113	
Followup dialogues	no	200	250	900	-	-	-	-	1,350	250	50	63	225	-	-	338	
Preparation of proposals	no	175	230	50	-	-	-	-	455	250	44	58	13	-	-	114	
Subtotal Workshops											206	170	300	-	-	-	676
Subtotal Participatory Cluster Infrastructure Investme											446	170	300	-	-	-	916
B. Climate Proofed Infrastructure Investments /c																	
1. Smallscale irrigation																	
Design	ha	-	900	1,100	-	-	-	-	2,000	250	-	225	275	-	-	500	
Construction	ha	-	100	800	863	-	-	-	1,763	5,000	-	500	4,000	4,315	-	8,815	
Construction supervision	ha	-	100	800	863	-	-	-	1,763	250	-	25	200	216	-	441	
Subtotal Smallscale irrigation											-	750	4,475	4,531	-	-	9,756
2. Climate proofed road rehabilitation																	
Design	kms	-	50	50	50	-	-	-	150	750	-	38	38	38	-	113	
Construction	kms	-	-	50	50	50	-	-	150	23,535	-	-	1,177	1,177	1,177	3,530	
Construction supervision	kms	-	-	50	50	50	-	-	150	750	-	-	38	38	38	113	
Subtotal Climate proofed road rehabilitation											-	38	1,252	1,252	1,214	-	3,755
3. Multi-purpose community water supply																	
Design	each	-	50	50	-	-	-	-	100	2,050	-	103	103	-	-	205	
Construction	each	-	-	50	50	-	-	-	100	20,500	-	-	1,025	1,025	-	2,050	
Construction supervision	each	-	-	50	50	-	-	-	100	1,025	-	-	51	51	-	103	
Subtotal Multi-purpose community water supply											-	103	1,179	1,076	-	-	2,358
Subtotal Climate Proofed Infrastructure Investments											-	890	6,906	6,859	1,214	-	15,869
Total Investment Costs											446	1,060	7,206	6,859	1,214	-	16,785
II. Recurrent Costs																	
A. Vehicle Operation and maintenance	lumpsum										19	19	19	19	19	115	
Total Recurrent Costs											19	19	19	19	19	19	115
Total											465	1,079	7,225	6,878	1,233	19	16,900

/a Component 2: Climate Proofed Value Chain Infrastructure

/b Sub-Component 2.1: Participatory Cluster Infrastructure Investment Planning

/c Sub-Component 2.2: Climate Proofed Infrastructure Investments

Appendix 1.2 Detailed Tables

Table 5. Institutional and Policy Support

Republic of Zimbabwe

Smallholder Agricultural Cluster Project

Table 5. Institutional and Policy Support /a

Detailed Costs

I. Investment Costs

A. National and VC Policy Development

Research, documentation and publications /b

lump sum

140 140 140 140 140 140 840

Workshops, dialogue, events, study tours /c

lump sum

60 60 60 60 60 60 360

Subtotal National and VC Policy Development

200 200 200 200 200 200 1,200

B. Support to Thematic VC Issues

Research, documentation and publications /d

lump sum

140 140 140 140 140 140 840

Workshops, dialogue, events, study tours /e

lump sum

60 60 60 60 60 60 360

Subtotal Support to Thematic VC Issues

200 200 200 200 200 200 1,200

Total

400 400 400 400 400 400 2,400

/a Component 3: Institutional and Policy Support Coordination / Sub-component 3.1

/b The annual lumpsums consist of local and international TA for research and VC studies and of publication/circulation of key research findings to support Government overall VC and agricultural policy making and SACP implementation.

/c Meetings, seminars, workshops and other events such as study tours for key stakeholders to facilitate the debate on, and subsequent passage and operationalisation of key national policies and legislation supporting rural VC development.

/d Local & international TA for research & studies on key thematic issues (See PDR) related to SACP implementation & of publication of key findings to support the Project implementation and private sector-led VC dev't in the country.

/e Meetings, seminars, workshops and other events such as study tours for key stakeholders to facilitate the SACP-initiated debate on key themes and issues affecting the performance and development of rural VC operations.

Appendix 1.2 Detailed Tables

Table 6. Project Co-ordination

Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Table 6. Project Co-ordination /a
Detailed Costs

Detailed Costs		Quantities							Unit Cost		Base Cost (US\$ '000)						
		Unit	20/21	21/22	22/23	23/24	24/25	25/26	Total	(US\$)	20/21	21/22	22/23	23/24	24/25	25/26	Total
I. Investment Costs																	
A. Project Management Unit																	
1. Vehicles																	
4WD Twincabs	no	2	-	-	-	-	-	-	2	90,000	180	-	-	-	-	-	180
Minibus	no	1	-	-	-	-	-	-	1	90,000	90	-	-	-	-	-	90
Subtotal Vehicles											270	-	-	-	-	-	270
2. Equipment and materials																	
Laptops and desk screens	no	13	-	-	-	-	-	-	13	2,530	33	-	-	-	-	-	33
Network storage /b	no	1	-	-	-	-	-	-	1	2,000	2	-	-	-	-	-	2
Mobile phones	no	14	-	-	-	-	-	-	14	633	9	-	-	-	-	-	9
Office refurbishment	no	1	-	-	-	-	-	-	1	5,175	5	-	-	-	-	-	5
Office equipment	no	1	-	-	-	-	-	-	1	9,200	9	-	-	-	-	-	9
Photocopier/printer	no	1	-	-	-	-	-	-	1	2,070	2	-	-	-	-	-	2
Subtotal Equipment and materials											60	-	-	-	-	-	60
Subtotal Project Management Unit											330	-	-	-	-	-	330
B. Provincial Offices																	
1. Vehicles																	
4WD Twincabs	no	4	-	-	-	-	-	-	4	90,000	360	-	-	-	-	-	360
Motorcycles	no	8	-	-	-	-	-	-	8	9,300	74	-	-	-	-	-	74
Subtotal Vehicles											434	-	-	-	-	-	434
2. Equipment and materials																	
Laptops /c	no	24	-	-	-	-	-	-	24	1,840	44	-	-	-	-	-	44
External hard drives	no	24	-	-	-	-	-	-	24	150	4	-	-	-	-	-	4
Mobile phones	no	28	-	-	-	-	-	-	28	633	18	-	-	-	-	-	18
Office refurbishment	no	4	-	-	-	-	-	-	4	5,175	21	-	-	-	-	-	21
Office equipment	no	4	-	-	-	-	-	-	4	9,200	37	-	-	-	-	-	37
Photocopier/printer	no	4	-	-	-	-	-	-	4	2,070	8	-	-	-	-	-	8
Subtotal Equipment and materials											131	-	-	-	-	-	131
Subtotal Provincial Offices											566	-	-	-	-	-	566
C. District Offices																	
1. Vehicles																	
Motorcycles	no	32	-	-	-	-	-	-	32	9,300	298	-	-	-	-	-	298

Appendix 1.2 Detailed Tables

Table 6. Project Co-ordination (Continued)

Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Table 6. Project Co-ordination /a
Detailed Costs

	Unit	Quantities						Unit Cost (US\$)	Base Cost (US\$ '000)						
		20/21	21/22	22/23	23/24	24/25	25/26	Total	20/21	21/22	22/23	23/24	24/25	25/26	Total
2. Equipment and materials															
Laptops /d	no	32	-	-	-	-	-	32	1,840	59	-	-	-	-	59
External hard drives	no	32	-	-	-	-	-	32	150	5	-	-	-	-	5
Mobile phones	no	32	-	-	-	-	-	32	633	20	-	-	-	-	20
Office equipment	no	4	-	-	-	-	-	4	9,200	37	-	-	-	-	37
Photocopier/printer	no	4	-	-	-	-	-	4	2,070	8	-	-	-	-	8
Subtotal Equipment and materials										129	-	-	-	-	129
Subtotal District Offices										427	-	-	-	-	427
D. Accounting Systems															
Accounting software	lumpsum									10	-	-	-	-	10
E. Workshops															
Startup workshop	lumpsum									20	-	-	-	-	20
IFAD Financial Management Workshop	workshop	-	1	1	1	-	-	3	3,500	-	4	4	4	-	11
ABWP Workshops	lumpsum									20	20	20	20	20	100
Subtotal Workshops										40	24	24	24	20	131
F. Manuals															
Manual development	lumpsum									40	-	-	-	-	40
Manual validation and updating	lumpsum									10	10	-	-	-	20
Subtotal Manuals										50	10	-	-	-	60
G. M&E Systems /e															
Establish MIS System /f	lumpsum									25	-	-	-	-	25
Server/iCloud costs	lumpsum									5	5	5	5	5	30
Subtotal M&E Systems										30	5	5	5	5	55
H. Studies and Surveys /g															
Value Chain Analysis	study	2	2	2	2	2	1	11	10,000	20	20	20	20	20	110
WEAI and Nutrition Baseline Survey /h	survey	1	-	-	-	-	-	1	40,000	40	-	-	-	-	40
Socio economic baseline survey	survey	1	-	-	-	-	-	1	40,000	40	-	-	-	-	40
Annual outcome survey /i	survey	-	1	-	1	1	-	3	20,000	-	20	-	20	20	60
Mid Term and End-line Surveys /j	survey	-	-	1	-	-	1	2	50,000	-	-	50	-	-	100
Annual statutory audits /k	audit	-	1	1	1	1	1	5	15,000	-	15	15	15	15	75
Subtotal Studies and Surveys										100	55	85	55	55	425
I. Training for M&E and KM	lumpsum									10	-	-	-	-	10
J. KM Products and Communication															
KM products and communication activities /l	lumpsum									15	15	15	15	15	90
K. M&E Equipment															
Digital camera (professional)	no	5	-	-	-	-	-	5	1,000	5	-	-	-	-	5
Total Investment Costs										1,582	109	129	99	95	2,108

Appendix 1.2 Detailed Tables

Table 6. Project Co-ordination (Continued)

Republic of Zimbabwe

Smallholder Agricultural Cluster Project

Table 6. Project Co-ordination /a

Detailed Costs

Detailed Costs		Quantities							Unit Cost	Base Cost (US\$ '000)							
		Unit	20/21	21/22	22/23	23/24	24/25	25/26	Total	(US\$)	20/21	21/22	22/23	23/24	24/25	25/26	Total
II. Recurrent Costs																	
A. Salaries																	
1. National PMU																	
National Project Coordinator /m	pers-month	15	12	12	12	12	12	75	4,000	60	48	48	48	48	48	300	
Accountant	pers-month	13	12	12	12	12	12	73	2,400	31	29	29	29	29	29	175	
Senior VC and Agribusiness Advisor	pers-month	13	12	12	12	12	6	67	3,500	46	42	42	42	42	21	235	
Senior CSA Advisor	pers-month	13	12	12	12	12	6	67	3,500	46	42	42	42	42	21	235	
Senior Infrastructure Specialist	pers-month	12	12	12	12	12	6	66	572	7	7	7	7	7	3	38	
50% Senior Social Inclusion Specialist	pers-month	12	12	12	12	12	6	66	286	3	3	3	3	3	2	19	
M&E and Planning Specialist	pers-month	12	12	12	-	-	-	36	2,400	29	29	29	-	-	-	86	
M&E and Planning Specialist (seconded)	pers-month	-	-	6	12	12	12	42	572	-	-	3	7	7	7	24	
50% KM and Comms Specialist	pers-month	15	12	12	12	12	12	75	286	4	3	3	3	3	3	21	
Procurement Officer	pers-month	12	12	12	12	12	6	66	2,400	29	29	29	29	29	14	158	
Financial Accountant (Officer)	pers-month	12	12	12	12	12	6	66	210	3	3	3	3	3	1	14	
Assistant VC and AgB Specialist (Officer)	pers-month	12	12	12	12	12	6	66	210	3	3	3	3	3	1	14	
50% Office Secretary	pers-month	12	12	12	12	12	6	66	103	1	1	1	1	1	1	7	
Procurement Clerk	pers-month	-	-	6	12	12	6	36	103	-	-	1	1	1	1	4	
Driver / Office Assistant	pers-month	12	12	12	12	12	6	66	171	2	2	2	2	2	1	11	
Subtotal National PMU										263	240	245	220	220	153	1,341	
2. Provincial PMU																	
Senior VC and AgB Specialist / Prov. Coord	pers-month	48	48	48	48	48	24	264	572	27	27	27	27	27	14	151	
CSA Specialist	pers-month	48	48	48	48	48	24	264	367	18	18	18	18	18	9	97	
Infrastructure Officer	pers-month	48	48	48	48	48	24	264	210	10	10	10	10	10	5	55	
M&E and Planning Officer	pers-month	48	48	48	48	48	24	264	210	10	10	10	10	10	5	55	
Social Inclusion Officer	pers-month	48	48	48	48	48	24	264	210	10	10	10	10	10	5	55	
Junior Procurement Officer	pers-month	48	48	48	48	48	24	264	210	10	10	10	10	10	5	55	
Driver / Office Assistant	pers-month	48	48	48	48	48	24	264	171	8	8	8	8	8	4	45	
Subtotal Provincial PMU										94	94	94	94	94	47	515	
Subtotal Salaries										356	334	338	313	313	200	1,855	

Appendix 1.2 Detailed Tables

Table 6. Project Co-ordination (Continued)

Republic of Zimbabwe
Smallholder Agricultural Cluster Project
Table 6. Project Co-ordination /a

Detailed Costs

Detailed Costs		Quantities							Unit Cost (US\$)	Base Cost (US\$ '000)							
		Unit	20/21	21/22	22/23	23/24	24/25	25/26		Total	20/21	21/22	22/23	23/24	24/25	25/26	Total
B. Per Diem In-Country Travel																	
PMU	pers-day		100	100	100	100	100	50	550	75	8	8	8	8	8	4	4
Provincial and District	pers-day		350	350	350	350	350	175	1,925	75	26	26	26	26	26	13	144
Subtotal Per Diem In-Country Travel											34	34	34	34	34	17	186
C. District Extension Officer Allowance		lumpsum									20	20	20	20	20	20	120
D. Vehicle Operation and Maintenance /n																	
PMU vehicles	lumpsum										23	23	23	23	23	23	138
Provincial vehicles	lumpsum										37	37	37	37	37	37	222
District vehicles	lumpsum										25	25	25	25	25	25	152
Subtotal Vehicle Operation and Maintenance											85	85	85	85	85	85	511
E. Airtime Allocation																	
Airtime allocation - PMU	pers-year		14	14	14	14	14	7	77	276	4	4	4	4	4	2	21
Airtime allocation - Districts	pers-year		28	28	28	28	28	14	154	276	8	8	8	8	8	4	43
Airtime allocation - Provinces	pers-year		28	28	28	28	28	14	154	276	8	8	8	8	8	4	43
Subtotal Airtime Allocation											19	19	19	19	19	10	106
F. Office Operating Costs /o																	
PMU	lumpsum										5	5	5	5	5	5	30
Provincial	lumpsum										10	10	10	10	10	10	60
Subtotal Office Operating Costs											15	15	15	15	15	15	90
Total Recurrent Costs											530	507	511	487	487	347	2,868
Total											2,112	616	640	585	582	442	4,976

/a Component 3: Institutional and Policy Support Coordination / Sub-component 3.2

/b With remote access and redundancy

/c Including docking stations

/d Including docking stations

/e Monitoring and evaluation; Management Information System

/f Contract for the establishment of M&E/MIS and KM systems and strategies.

/g Baseline survey , includes Women Agricultural Economic Index (WEAI), Socioeconomic survey, Value chain analysis for new crops.

/h Womens Economic and Agriculture Index

/i Annual outcome survey

/j Contracted by IFAD

/k Engagement of external audit firm

/l Includes policy briefings, website, webinars, printing etc

/m Director

/n Including insurance

/o Includes: insurance, cleaning, security and supplies.

Appendix 1.2 Detailed Tables
Table 7. Contingency Emergency Response

Republic of Zimbabwe
 Smallholder Agricultural Cluster Project
 Table 7. Contingency Emergency Response
Detailed Costs

	Unit	Quantities						Unit Cost (US\$)	Base Cost (US\$ '000)						Total	20/21
		20/21	21/22	22/23	23/24	24/25	25/26		20/21	21/22	22/23	23/24	24/25	25/26		
I. Investment Costs																
A. Contingency emergency response	lumpsum								-	-	-	-	-	-	-	-
Total									-	-	-	-	-	-	-	-

Zimbabwe

Smallholder Agriculture Cluster Project Project Design Report

Annex 4: Economic and Financial Analysis

Mission Dates: 25 May - 19 June 2020
Document Date: 28/01/2021
Project No. 2000002341
Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department

Annex 4: Economic and Financial Analysis

EFA Summary Page ¹

Table A: Incremental Farm Family Benefits by Farm Models (USD)

Year / Indicator	Small Grains / Goat Farm	Maize / Horticulture Farm	Sesame / Poultry Farm	Irrigated Crops / Goat Farm
1	-1,183	-1,506	-1,532	-1,630
2	-219	184	-424	285
3	-74	218	-1	514
4	415	465	304	76
5	577	575	700	1,353
6	505	49	628	1,434
7	634	659	700	1,639
8	679	688	700	1,759
9	700	637	328	777
10 +	554	720	700	1,529
IRR (%)	24.7	26.5	20.7	42.7
NPV (USD) @ 10% ^{\1}	2,145	2,650	2,072	6,950

\1 Assumed as the opportunity cost of capital for the producer

Table B: Project Cost and Log Frame Indicators

Total Project Costs (USD m): 67.87		IFAD loan: (USD m): 35.69	
Target outreach population ^{\1}	People: 391,200 ^{\2}	Households: 78,240 ^{\2}	
Cost per SACP Outreach ^{\3}	91 USD / persons	456 USD / HH	
Components / Outputs and Cost (USD M)		Selected Outputs and Indicators	
1. Inclusive Value Chain Development			
Cluster Identification and VC Mobilization	0.07	800	Number of rural producers' organizations supported
Technical Services for APGs and Agribusinesses	2.24	20,000	Number of persons trained in production practices and/or technologies
Matching Grants for Inclusive VC Investment	39.51	700	APG group matching grants disbursed
2. Climate Proofed Value Chain Infrastructure			
Climate Proofed Value Chain Infrastructure	16.9	1,000	Number of kilometres of roads constructed, rehabilitated or upgraded
3. Institutional Support and Project Coordination			
Policy and Institutional Support / Proj Co-ord	1.74		Number of policy-relevant knowledge products completed
Project Coordination	4.88		

^{\1} See Main report section: Target groups and targeting strategy.

^{\2} Total number of HH based on outreach through APG, MSME and VC Lead Enterprise investments is estimated at 48,000, 11,200 and 17,040 respectively

^{\3} Assumes 5 persons per household.

^{\3} IFAD loan (USD 36.687 million) / Outreach

¹ As per IFAD PMD Operational Instruction: Revised Guidance on Logframes and EFA Guidelines Volumes I and II.

Table C: Selected Financial Analysis Assumptions

Parameters				
Selected Outputs	Av. Yield ^{\1} kg/ha	Price (USD)	Selected Inputs	Price (USD/kg)
Hybrid maize	3,000	0.39 / kg	Compound D	0.70 / kg
Sesame	600	0.39 / kg	Ammonium nitrate	0.39 / kg
Tomatoes	15,000	0.50 / kg	Maize hybrid seed	2.00 / kg
Goat	35 kg LW	0.83 / kg LW	Tomato seed	150 / kg
Eggs	250 eggs/hen/yr	0.08 / egg	Hired labour	3 / per-day

^{\1} With Project Full development - rounded

Table D: APG Household, Beneficiaries and Phasing

	PY 1	PY 2	PY 3	PY 4	PY 5	PY 6
APG Total Households ^{\1}						
Incremental	1,200	6,000	12,000	3,600	1,200	-
Cumulative	1,200	7,200	19,200	22,800	24,000	24,000
APG Households participating ^{\2}						
Incremental	900	4,500	9,000	2,700	900	-
Cumulative	900	5,400	14,400	17,100	18,000	18,000
APG Beneficiaries participating ^{\3}						
Incremental	4,500	22,500	45,000	13,500	4,500	-
Cumulative	4,500	27,000	72,000	85,500	90,000	90,000

^{\1} Refer to Main Report / Project Description / Target Groups and Targeting Strategy. The figures above refer to the investments targeted at the Agricultural Producer Groups through matching grants Sub-Component 3.1

^{\2} 75% adoption rate economic modelling

^{\3} Assuming 5 persons per household.

Table E: Key Economic Analysis Assumptions

Parameter	Value	Remarks
Standard conversion factor	1.0	Project costs are estimated in USD and converted using the Costab software to economic terms using the SERF. All financial costs are converted into economic costs through the elimination of subsidies, duties and taxes
Shadow wage rate factor (SWRF)	95%	Applied to unskilled wage rates to reflect the relative abundance of unskilled labour, though in some locations at sometimes of year this may undervalue unskilled labour due to the temporary migration of labour to other parts of Zimbabwe or abroad.
Financial opportunity cost of capital	10%	Equivalent to the current average deposit rate commercial banks
Social rate of discount	10%	The discount rate for the economic analysis is the estimate of the social discount rate (SDR) or rate of time preference. For the purposes of this analysis this is taken as 10%. In normal circumstance this is assumed to: i) reflect the public nature of the investment; ii) account for scarcity of resources; and iii) ensure good use of public funds. Deriving an SDR based on the average of the long-term public bond rates and long-term deposit rates is impractical due to the current economic crisis.

Parameter	Value	Remarks
		The Government does not currently have a working national currency and is there is no bond market. Zimbabwe has no current credit rating. The over night lending rate by the Reserve Bank is 35% and Y-O-Y inflation is 737% (as of 5/08/20) The rate of 10% was applied as it is consistent with the most recent IFAD appraisal in Zimbabwe the Smallholder Irrigation Revitalization Programme.
Project life	20	Twenty 20 years is been assumed or the project life in line with the investment lifecycle and IFAD Guidelines.

Note domestic inflation at the time of the mission

Table F: Project Economic Cash Flow (USD thousands)

Selected years	Incremental benefits ^{\1}	Invest Costs	Recurrent Costs	Adjustments and Post SACP ^{\2}	Total incremental	Net incremental benefits
1	(2,083)	7,355	569	(937)	6,987	(9,070)
2	(3,123)	12,196	520	(4,685)	8,031	(11,155)
3	(294)	18,391	559	(9,369)	9,581	(9,875)
4	3,848	17,480	455	(2,811)	15,124	(11,276)
5	10,047	5,829	455	(937)	5,347	4,700
6	15,884	155	455	-	609	15,275
7	17,973	-	-	1,359	1,359	16,614
8	18,989	-	-	1,359	1,359	17,630
9	21,491	-	-	1,359	1,359	20,131
10...	21,561	-	-	1,359	1,359	20,202
15...	19,283	-	-	1,359	1,359	17,924
20	22,547	-	-	1,359	1,359	21,188
ENPV @ 10% USD million						56.49
EIRR						25.0
BCR						2.42
Switching value benefits						(59%)
Switching value costs						142

^{\1} Source: Appendix 4 Table 15: Overall SACP – Incremental Economic Budget

^{\2} Provision to avoid double counting of APG matching grant, MSME/Lead enterprise recurrent costs and post SACP infrastructure recurrent costs.

Table H: SACP Sensitivity Analysis

Scenario			Link to Risk Matrix Issues	EIRR ^{\1}	ENPV (USD '000) ^{\2}
Base Case				25.0	56,492
<i>Δ% to Base Case</i>					
Project Costs	Incr'1 Benefits	Benefits delayed			
+ 10%			Increase in the cost of inputs.	23.3%	52,509
+ 20%				21.7%	48,525
	- 20%		Reduced producer prices / demand. Infrastructure investments are not directed to areas of highest production potential. Technical coordination by the implementing agencies and service providers is not responsive to the group level needs.	21.0%	37,227
	- 40%			16.0%	17,962
+ 10%	- 10%		Combinations of the above	21.4%	42,876
+ 20%	- 20%			17.8%	29,260
Base Case	Base Case	1 year	Ineffective inter-institutional cooperation & dialogue on development issues means financing is not disbursed in a timely manner to support field implementation.	21.5%	47,735
		2 years		18.8%	39,774
		3 years		16.8%	32,537
Base case	- 20%	1 year	Insufficient cohesion within farmer groups affect their success potential Ineffective coordination between provinces, districts, villages and supply chain enterprises undermining implementation progress Grants diverted for other purposes	16.6%	26,238
		2 years		14.7%	19,869
		3 years		13.1%	14,080
+ 20%	- 20%	2 years	Climate-change and disaster impacts. External shocks to macro economy.	13.5%	15,886
Switching Values ^{\2}					
Benefits		(59%)			
Costs		142%			

¹ Hurdle rate 10 per cent.

² Rounded.

³ Per cent change in cost and/or benefit streams to obtain an ENPV of USD 0, i.e., economic viability threshold.

Note on Currency

Zimbabwe is experiencing an economic and fiscal crisis. Macroeconomic stability remains a challenge: the economy contracted sharply in 2019, amplified by climate shocks that have crippled agriculture and electricity generation. The newly introduced ZWL\$ has lost most of its value; inflation is very high; and international reserves are very low (IMF Feb 2020). At the time of the project design the annual inflation as of May (year-on-year) was estimated at 786% (Bloomberg, 16 June 2020). Because of these factors, the project costing as well financial and economic analysis has been undertaken in USD.

I. FINANCIAL ANALYSIS ²

A. Objective and Methodology

1. The objective of the financial analysis is to assess the viability of the move into commercialisation at the farm household. Profitability at this level underpins the supply chain and farmer group development sought by the Project. The approach is guided by the development objective that seeks *to increase smallholder participation in market-oriented and climate-smart value chains*. The approach developed provides insights into the Project Goal indicator that monitors the impact of household income.
2. The methodology employed establishes individual gross margin enterprise budgets for field and horticulture crops (e.g. maize, small grains, groundnut, tomatoes) as well as representative livestock models (in this case goats and poultry). These enterprise budgets provide the basic building blocks of the household farming businesses and are combined according generalised cropping patterns to form farm budgets. The farm models presented describe the total cropping picture and how the introduction or expansion into value chain commodities affects household income and labour productivity.
3. At the level of the farm, other characteristics of the household are included to provide an overall representation of operations and profitability. These other factors can include financing (the SACP matching grant), on-farm use, household consumption, household labour availability, farm level investment and operating expenses.
4. All enterprise and farm models are formulated to project for 20 years the situation with current technology (without project) and new technology (with project). The financial and economic analysis is thus formulated on an incremental basis (being the difference between the with project (WP) situation to the without project (WoP)³. In this way, the difference between the two scenarios, the incremental net benefit, is the basis of the appraisal⁴. This approach is applied both for the financial analysis from the perspective of the household and in aggregated form for the economic analysis from the perspective of society (see next section).
5. The remainder of this section presents the assumptions and the results of the individual enterprise and farm budgets. Farm budgets are developed for four generalised types of smallholder farming household targeted in the Project area. These four types are⁵:
 - Small grains – Goat Farm Model
 - Maize – Horticulture Farm Model
 - Sesame – Poultry Farm Model
 - Irrigated crops – Goat Farm Model
6. The generalised cropping patterns assumed for these four farm types is provided below. In some cases, new enterprises are introduced such as tomatoes, sugar, snap peas and eggs. It is recognised that likelihood of the uptake of the new crops is a

² The Annex was prepared remotely as part of a virtual mission to Zimbabwe in May and June 2020.

³ The descriptions below "Without Project" is synonymous with "Existing technology", while "With Project" is synonymous with "New technology".

⁴ The methodology is guided by: Gittinger, J.P (1982), *Economic Analysis of Agricultural Projects*, Second Edition, EDI World Bank, and (IFAD (2015) *Economic and Financial Analysis of Rural Investment Projects*.

⁵ These four illustrative models were identified in conjunction with Agritex and SACP local consultants. Each are designed to include a commodity that will place the household on the path to commercialisation.

function of input availability, the market conditions prevalent at the time of implementation and the success of the execution of SACP activities listed under Component 1: Inclusive Value Chain Development. The adoption rates assumed are the PDT's best estimate of the likely uptake and are tested in the sensitivity analysis through the scenario that examines delays in the benefit stream.

7. The changes in crops and cropping area as well as the productivity changes described below are facilitated by the transition from existing to new technologies. Further specific details of the SACP theory of change, the SACP investment costs as well as agronomy and technology changes are described in separate annexes.

B. Crop Production Models

8. **Gross margins.** Each model presents revenues based on projected yields and prices, together with operating expenses are defined in terms of inputs and labour. Labour is defined in terms of month, based on the cropping calendar activities and gender.⁶ The income (gross margin) is reported before and after the valuation of family labour costs.⁷ Family labour is costed at USD 2 per person day.

9. The prices of the inputs to, and outputs from these models are provided in Appendix 1. It is recognised that cropping patterns vary considerably from year to year depending on market conditions. The models developed are meant to indicate average conditions as well as be reflective of typical returns for rainfed and irrigated crops.

10. The yield and input assumptions for the production models indicated in the cropping patterns above are provided in Appendix 2. Changes in values for the 20-year projection period are indicated.

11. The investment in market linkage infrastructure results in a range of benefits at the farm level which are factored into this financial and consequently the economic analysis. The benefits include decline in transportation costs, increased availability of inputs and services, decline of losses and improved access to markets. The incremental use of inputs and tractor services and improved market channels and prices assumed in these models are largely owed to improvements in rural roads.

12. **Maize (intercropped with cowpeas)** The key characteristics of this production model are presented in Table 1. The current production level with local varieties is assumed at 1,000 kg per hectare. With the SACP interventions these yields are expected to increase to 3,000 per hectare over 5 years, an increase of 200 per cent. This is the result of hybrid seed as well as improved inputs and practices. The gross margin before and after labour costs is projected to increase substantially. Details of the operating inputs and financial results are shown in Appendix 2 Tables 1 and 2 respectively.

⁶ Labour budgets for each crop were specified in conjunction with the local consultants. The budgets suggested are consistent with the project design team's experiences elsewhere.

⁷ The models presented are based on best estimates of the consulting team in conjunction with local Zimbabwe Agritex and industry specialists. The models should be considered as an illustrative and the basis for further development.

Table 1: Maize (Cowpea Intercropped) Gross Margin Summary

Parameter	Unit	Without	With ^{\1}	% change
Post harvest yield – maize	kg/ha	1,000	3,000	200
Post harvest yield – cowpea	kg/ha	100	250	150
Revenue (combined)	USD/ha	426	1,140	168
Operating costs	USD/ha	282	602	115
Gross margin – before labour	USD/ha	144	538	274
Gross margin – after labour	USD/ha	6	474	-

Source: SACP Design Team

^{\1} Full development with CSA techniques

13. Small Grains (pumpkin intercropped) The key characteristics of this production model are presented in Table 2. The current production levels with local small grain varieties is assumed at 200 kg per hectare. With the SACP interventions these yields are expected to increase to 350 per hectare over 5 years, an increase of 75 per cent. The current production levels with local pumpkin varieties is assumed at 2,500 kg and 5,000 kg per hectare without and with project respectively. An increase of 100 per cent. These increases are the result of improved seed, agro-chemicals and practices. Gross margin before and after labour costs is projected to increase by 101 and 125 per cent respectively. Details of the operating inputs and financial results are shown in Appendix 2 Tables 3 and 4, respectively.

Table 2: Small (Pumpkin intercropped) Grains Gross Margin Summary

Parameter	Unit	Without	With ^{\1}	% change
Post harvest yield – small grains	kg/ha	200	350	75%
Post harvest yield - pumpkins	kg/ha	2,500	5,000	100%
Revenue	USD/ha	903	1,787	98%
Operating costs	USD/ha	186	346	86%
Gross margin – before labour	USD/ha	717	1,441	101%
Gross margin – after labour	USD/ha	595	1,339	125%

Source: SACP Design Team

^{\1} At Year 5 with CSA techniques

14. Groundnuts/Bambarra Nut⁸ The key characteristics of this production model are presented in Table 3. With the SACP interventions these yields are expected to increase from 500 to 1,000 kg per hectare over 5 years, an increase of over 100 per cent. This is the result of improved seed, inputs and practices. Gross margin before and after labour costs is projected to increase substantially. Details of the operating inputs and financial results are shown in Appendix 2 Tables 5 and 6, respectively.

⁸ Bambarra nut (*Vigna subterranean*) is a member of the family Fabaceae. The plant originated in West Africa. *Vigna subterranea* ripens its pods underground, much like the peanut. They can be eaten fresh or boiled after drying. They are often cropped instead of or with groundnuts.

Table 3: Groundnuts/Bambarra Nut Gross Margin Summary

Parameter	Unit	Without	With ^{\1}	% change
Post harvest yield	kg/ha	500	1,000	100%
Revenue	USD/ha	600	1,200	100%
Operating costs	USD/ha	267	396	48%
Gross margin – before labour	USD/ha	333	804	141%
Gross margin – after labour	USD/ha	225	708	215%

Source: SACP Design Team

^{\1} Year 5 with CSA techniques

15. **Sesame.** The key features of this production model are presented in Table 4. It is not presently grown but is identified as one of the potential cash crop that can also contribute to food security and nutrition security. With the SACP interventions yields around 600 kg per hectare by Year 5 are expected. The project will be promoting high yielding seed, inputs and practices. Gross margin before and after labour costs are projected USD 431 and USD 271, respectively. Details of the operating inputs and financial results are shown in Appendix 2 Tables 7 and 8, respectively.

Table 4: Sesame Gross Margin Summary

Parameter	Unit	Without	With ^{\1}	% change
Post harvest yield	kg/ha	-	600	-
Revenue	USD/ha	-	720	-
Operating costs	USD/ha	-	289	-
Gross margin – before labour	USD/ha	-	431	-
Gross margin – after labour	USD/ha	-	271	-

Source: SACP Design Team

^{\1} At Year 5 with CSA techniques

16. **Tomatoes.** The key features of this production model are presented in Table 5. Tomatoes are included as a high potential domestic crop. With the SACP investment these yields are expected 20,000 kg per hectare at full development. This is the result of high yielding seeds, agro-chemicals inputs, good cultivation practices and irrigation. Gross margins before and after labour costs are estimated at USD 6,185 and USD 6,075, respectively. Details of the operating inputs and financial results are shown in Appendix 2 Tables 9 and 10, respectively.

Table 5: Tomatoes Gross Margin Summary

Parameter	Unit	Without	With ^{\1}	% change
Post harvest yield	kg/ha	-	20,000	-
Revenue	USD/ha	-	8,000	-
Operating costs	USD/ha	-	1,816	-
Gross margin – before labour	USD/ha	-	6,185	-
Gross margin – after labour	USD/ha	-	6,075	-

Source: SACP Design Team

^{\1} full development

17. **Sugar Snap Peas.** The key features of this production model are presented in Table 6. This crop is included as an example of a high value export crop. With the SACP interventions yields of 7,000 kg per hectare at full development. Gross margin after labour costs is estimated at around USD 5,990 per hectare. Details of the operating inputs and financial results are shown in Appendix 2 Tables 11 and 12, respectively.

Table 6: Sugar Snap Peas Gross Margin Summary

Parameter	Unit	Without	With ¹	% change
Post harvest yield	kg/ha	-	7,000	-
Revenue	USD/ha	-	9,100	-
Operating costs	USD/ha	-	1,736	-
Gross margin – before labour	USD/ha	-	7,364	-
Gross margin – after labour	USD/ha	-	5,990	-

Source: SACP Design Team

¹ At full development

C. Livestock Production Models

18. **Goat meat production** A representative household goat meat production model has been developed. The production model is shown in Appendix 2 Table 13. An initial herd assumption combined with the representative production parameters generates a stock growth model. This model is used to define the annual projected: (i) herd composition; (ii) the sale weights; and (iii) the feed requirements. The stock growth model is initiated with a household herd of 4 females, 2 bucks and 6 kids (0 to 1 years old). By the tenth year of the project the herd is projected to compose 12 females, zero bucks ⁹ and 21 kids. The projected annual sale weights and corresponding net income results are shown in Appendix 2 Tables 13 and 13. The sale weights are projected to rise from the WoP circumstances of 116 kg LW per household per annum to 487 kg LW per household per annum in the WP scenario. Net income before and after labour indicates significant increases (Table 7), however it should be noted that this increase is gradual over 10 years.

Table 7: Goat enterprise activity model – yield and net income

Parameter	Unit	Without	With ¹	% change
Yield – Live sale weights	kg liveweight	116	487	319%
Revenue	USD	196	924	370%
Operating costs ²	USD	20	68	240%
Net income – before labour	USD	216	992	359%
Net income – after labour	USD	168	608	261%

¹ At full development – Without = Without project, With = With project

² Livestock feed supplied by farm

19. **Poultry layer model.** The illustrative household layer models projects the revenue and costs of establishment and operation of a 40 hen layer flock using point-of-lay birds. Simple housing is assumed, and half of the feed requirements are sourced from the

⁹ The purchase of cross-breed bucks by the group substitutes for the local bucks.

farm. The projected annual egg sales corresponding net income results are show in Table 8.

Table 8: Poultry layer activity model – yield and net income

Parameter	Unit	Without	With ¹	% change
Yield – eggs	eggs/year	-	10,000	-
Revenue	USD	-	1,000	-
Operating costs	USD	-	633	-
Net income – before labour	USD	-	327	-
Net income – after labour	USD	-	127	-

¹ At full development – Without = Without project, With = With project
At Year 5.

D. Farm Models – Assumptions

20. The enterprise budgets described above together with the other field crops outlined are combined to form illustrative household farm models by applying the cropping patterns presented above in Appendix 3 Tables 1,4,7 and 10. At the farm level further additions and adjustments are made to complete the farm household configurations for financial analysis. Key farm budget assumptions common to all household models are described in Table 10.

21. **Family Labour.** For the purposes of the financial analysis the family labour is costed at a rate of USD 2 per person day, the value at market rate. In the case of the financial sustainability analysis, farm level family labour is not entered as a cost; instead the “wages” for the family become a part of the net benefit.¹⁰

22. Thus, as SACP increases the net benefit, it also in effect increases the family's income or “wages” for its labour. A key input therefore at the farm level is to define the household labour availability. In order to facilitate this analysis (in the absence of survey information) it is assumed that there are on average five persons per farming household. Of these the working adult equivalent is 1.5 persons for both men and women. Using this logic and a assumptions on the number of working days per month and the availability of both men and women a monthly availability for both male and female labour is defined – refer to Table 9.¹¹

¹⁰ This approach is consistent with the IFAD EFA guidelines where it is noted that “family labour is not a production cost (there is no financial transaction)”. See: IFAD’S Internal Guidelines - Economic and Financial Analysis of Rural Investment Projects Volume 2: Minimum requirements and practical examples. Rome 2019. Section II, Financial Analysis, Farm Models page 17.

¹¹ Labour availability assumptions based on discussions the local consultants

Table 9: Household Labour Availability

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Days/month	31	28	31	30	31	30	31	31	30	31	30	31
Non-working	15	15	8	6	6	6	6	6	6	8	10	15
Working days	16	13	23	24	25	24	25	25	24	23	20	16
Female availability	60%	60%	60%	50%	50%	50%	50%	50%	50%	60%	60%	60%
Male availability	40%	40%	40%	50%	50%	50%	50%	50%	50%	40%	40%	40%
Female person days/month	14	12	21	18	19	18	19	19	18	21	18	14
Male person days/month	10	8	14	18	19	18	19	19	18	14	12	10

Source: SACP Design Team

23. The per hectare/per activity labour requirements combined with the pattern assumed at the household level will determine the labour requirements for any particular crop or activity. The farm labour requirement is the aggregation of all the individual requirements. This requirement is compared to the availability (shown in the table above) and where requirements are in excess of resources available, the missing labour is assumed to be hired.

24. **Indicators** The financial analysis develops the financial internal rate of return (FIRR) and the financial net present value (FNPV) at 10 per cent discount rate. The purpose of the financial sustainability analysis is to verify a positive after financing cashflow in the years up to full, with Project development. In addition, the sustainability analysis examines the With Project returns to family labour. A positive after financing cashflow and increased returns to family labour are strong signals that a farming household would likely invest in the technology and management changes.

Table 10: Key Farm Budget Assumptions

Parameter	Description
On farm use	Where appropriate enterprise inputs that can be sourced from enterprise outputs are included, e.g. own production is used for seed supplies
Financing	Seasonal and longer credit markets effectively do not exist in Zimbabwe (see Main Report), hence formal credit channels for smallholder farmers do not exist. Financing of initial investments is through the SACP matching grant and own contributions.
Labour requirements	Labour requirements (by gender and month) for each farming activity are estimated and compared to the household labour availability. Where additional labour is required it is assumed that labour would be hired at market rates.
Labour availability	The household labour availability by month and gender is estimated. Households are assumed to have 1.5 male and 1.5 female able-bodied persons available for farm work. Availability is assumed to vary according to month and gender, with male availability between 40 and 50%, while female availability is between 50 to 60%. On average males are assumed to be available 14.9 days per month while the figure for women is 17.6 person days per month. Refer to Table 9 above.
Cost of hired labour	Demand for labour is first served by family labour. Where family labour is insufficient hired labour at USD 3 per day is purchased.
Value of urban unskilled labour	USD 4 per day. Used to compare with the return for day of family labour

Source: SACP Design Team

25. **Investment packages.** For the purposes of the illustrative modelling typical investment elements have been formulated to reflect the likely expenditures to facilitate the transformation to commercialisation. Typical household level investment items for the four household models developed are shown in Table 11. The investment packages assumed for the four illustrative models are range from USD 1,300 to 1,800 per household.¹²

Table 11: Typical household investments

Description of example investments	Applicable to
Conservation agricultural equipment, e.g. magoye tyne ripper (USD 25), jab planters (USD 76, knapsack sprayers (USD 30), hand threshing machine (USD 500); post-harvest handling and storage (sesame); solar water / well pump, distribution and storage; solar panels (USD 260)	Small Grains – Goat Maize – Horticulture Sesame – Poultry Irrigated crops – Goat
Livestock related investments: housing and handling facilities (USD 1,000), dosing equipment (USD 60); veterinary kits (USD 100); injection equipment (USD 60)	Small Grains – Goat Irrigated crops – Goat
Caging/laying box with drip system (USD 320 / 100 birds); water source development, distribution and storage; grain mill	Sesame – Poultry
Drip irrigation facility, bucket system (USD 500); secateurs, driers, knap sacs (USD 200); solar powered pumps (USD 410); grading and packing equipment	Irrigated crops – Goat Maize – Horticulture

Source: SACP Design Team

26. **Matching Grant** For the purposes of the modelling it is assumed that the household will develop a proposal to access the maximum matching grant. If the maximum household grant is USD 833¹³ a proposal of USD 1,042 would equate to:

- SACP Matching Grant: USD 833
- Cash contribution by the household of 10% of the proposal: USD 104
- An in-kind contribution by the household of 10% of the proposal: USD 104

27. The grant above is entered into the model as a source of finance in the first year of the with project scenario. The cash and in-kind contribution (the later in monetary value) are entering as costs to the business in the first year. An investment package of around the maximum amount is included for each farm model.

28. **Household Food and Nutrition Security** The modeling incorporates the objective of ensuring household food and nutritional security by including a representation of both the existing (without SACP) and new (with SACP) foods and their annual consumption. The new diet is targeted at achieving household food and nutritional security. If the crop is grown by the household their own consumption is prioritised over sale. If there is insufficient or no home production the household purchases the required amount to reach the recommended requirement. Detailed of the commodities and rates for a 5-person household are shown in Table 12. In this way the financial results are net of household food security requirements.

¹² Refer to individual household financial models in Appendix 3 for details, illustrative investment packages range in value from USD 1,300 to 1,800 per HH.

¹³ Maximum matching grant USD 25,000 per APG group of 30 farm households = USD 533/APG household.

Table 12: Household food and nutrition requirements

Description	kgs / year / HH of 5 persons	
	Without SACP	With SACP
Maize	98	115
Sorghum / Pearl millet	98	115
Cowpeas	14	110
Groundnut / Bambarra nut	3	20
Pumpkin	33	328
Green leafy vegetables (e.g. kale)	469	660
Citrus	126	450

Source: SACP Design Team

E. Small Grains - Goat Household Model

29. This model examines the profitability of moving from a low yielding mixed farm to a regime that incorporates climate smart agricultural (CSA) practices under which ultra short maturity, drought and heat tolerant open pollinated varieties (OPV) and hybrid varieties are grown. The cropping pattern changes from WOP to WP and the transition to the CSA technology are provided in Table 13. The main physical outputs for this household model are shown in Table 14. Full details of the production and inputs schedule as well as the financial modeling are provided in Appendix 3 Tables 1 and 2, respectively.

Table 13: Small Grains - Goat Household Cropping Pattern

	Unit	WOP	WP	Incr
Cropping intensity	%	167	167	-
Existing Technology				
Maize OPV (with cowpea)	ha	0.50	-	-0.50
Small Grains (with pumpkin)	ha	0.75	-	-0.75
Groundnut/Bambarra	ha	0.25	-	-0.25
Communal grazing	ha	1.00	-	-1.00
Sub-total Existing Technology	ha	2.50	-	-2.50
New Technology				
Maize Hybrid (with cowpea)	ha	-	0.25	0.25
Small Grains (with pumpkin)	ha	-	0.75	0.75
Groundnut/Bambarra	ha	-	0.25	0.25
Forage legume - dryland	ha	-	0.25	0.25
Communal grazing	ha	-	1.00	1.00
Sub-total New Technology	ha	-	2.50	2.50
Total Cropped Area	ha	2.50	2.50	-

Source: SACP Design Team

Table 14: Small Grains - Goat Household Model Production Summary

Key features at full development	1.5 hectare farm and access to communal grazing		
	Unit	Without	With
Maize production	kgs/year	500 (OPV)	750 (Hybrid)
Sorghum / Pearl Millet production	kgs/year	150	263
Cowpeas production	kgs/year	50	63
Groundnut / Bambarra nut production	kgs/year	125	250
Pumpkin production	kgs/year	1,875	3,750
Goat sales	kg LW/year	116	487

30. The financial analysis¹⁴ indicates a FIRR of 24.7 per cent and a FNPV of USD 2,145 at 10 per cent discount rate. These criteria indicate a profitable investment.

31. The financial sustainability of this illustrative model is indicated by a positive annual cashflow after financing in the years to full development in the With Project scenario (PY5) as shown in Table 15.

32. The annual farm family benefits after financing WP by Year 5 are estimated at USD 1,263. The returns per family day of labour WP are projected to rise to USD 8 per person day or around twice the urban unskilled daily wage rate.

¹⁴ With family labour costed at market rates.

Table 15: Small Grains - Goat Household Model Initial WP Cashflow After Financing**FINANCIAL BUDGET (AGGREGATED)**

(In USD) /a

	With Project				
	1	2	3	4	5
Main Production					
Field crops	349	391	518	645	687
Food crops	619	696	928	1,160	1,238
Livestock products	190	186	253	305	393
Fodder & forage crops	251	266	313	360	376
Sub-total Main Production	1,409	1,540	2,012	2,470	2,693
On-Farm Use					
Field crops	30	30	30	30	30
Fodder & forage crops	0	0	0	0	0
Sub-Total On-Farm Use	30	30	30	30	30
On-Farm Consumption					
Field crops	149	149	149	149	149
Food crops	308	486	663	663	663
Sub-Total On-Farm Consumption	457	635	812	812	812
Net Value Of Production	922	875	1,170	1,628	1,851
Purchased Consumption					
Field crops	31	29	24	19	17
Food crops	298	427	555	555	555
Sub-Total Purchased Consumption	328	455	579	574	572
INFLOWS	594	420	591	1,054	1,279
Production Cost					
Investment					
Investments	804	-	-	-	-
Operating					
Purchased Inputs					
Planting materials	26	26	26	26	26
Agrochemicals	501	418	437	547	464
Other inputs	104	220	288	348	352
Sub-Total Purchased Inputs	613	639	719	885	806
Hired Labor					
Female labor	-	-	-	-	-
Male labor	9	9	10	11	13
Sub-Total Hired Labor	9	9	10	11	13
Sub-total Operating Costs	622	647	729	896	819
Sub-Total Production Cost	1,426	647	729	896	819
OUTFLOWS	1,426	647	729	896	819
Cash Flow Before Financing	-832	-228	-137	158	460
Farm Family Benefits Before Financing	-375	407	675	970	1,272
Net Financing	778	-81	-168	77	-8
Cash Flow After Financing	-54	-309	-305	235	451
Change in Net Worth					
Contribution from own savings	249	-	-	-	-
Residual value of					
Transfer to Next Period	-	-	-	-	-
Sub-Total Change in Net Worth	-249	-	-	-	-
Farm Family Benefits After Financing	154	326	507	1,047	1,263
Returns per Family-Day of Labor	1	3	4	7	8

F. Maize - Horticulture Farm Household Model

33. This model examines the profitability of moving to a mixed dryland / irrigation operation. The irrigation would focus on tomatoes and sugar snap peas for the domestic and export markets respectively. The dryland cropping would incorporate CSA techniques and practices. The cropping pattern changes from WOP to WP and the transition to the CSA technology are provided in Table 16. The main physical outputs for this household model are shown in Table 17. Full details of the production and inputs schedule as well as the financial modeling are provided in Appendix 3 Tables 3 and 4, respectively.

Table 16: Maize - Horticulture Farm Household Cropping Pattern

	Unit	WOP	WP	Incr
Cropping intensity	%	100	100	-
Existing Technology				
Maize OPV (with cowpea)	ha	0.75	-	-0.75
Small Grains (with pumpkin)	ha	0.50	-	-0.50
Groundnut/Bambarra	ha	0.25	-	-0.25
Sub-total Existing Technology	ha	1.50	-	-1.50
New Technology				
Maize Hybrid (with cowpea)	ha	-	0.75	0.75
Groundnut/Bambarra	ha	-	0.25	0.25
Tomato	ha	-	0.25	0.25
Sugar Snap Peas	ha	-	0.25	0.25
Sub-total New Technology	ha	-	1.50	1.50
Total Cropped Area	ha	1.50	1.50	-

Source: SACP Design Team

Table 17: Maize - Horticulture Farm Household Model Production Summary

Key features at full development	1.5 hectare farm		
	Unit	Without	With
Maize production (hybrid)	kgs/year	750 (OPV)	2,250 (Hybrid)
Groundnut production	kgs/year	125	250
Sugar snap peas	kgs/year	-	1,000
Tomato production	kgs/year	-	3,000

34. The financial analysis indicates a FIRR of 26.5 per cent and a FNPV of USD 2,650 at 10 per cent discount rate. These criteria indicate a profitable investment.

35. The financial sustainability of this illustrative model is indicated by a positive annual cashflow after financing in the years to full development in the With Project scenario (PY5) as shown in Table 18.

36. The annual farm family benefits after financing WP by Year 5 are estimated at USD 1,055. The returns per day of labour WP are projected to rise to USD 5 per person day or around 1.3 times the urban unskilled daily wage rate.

Table 18: Maize - Horticulture Household Model Initial WP Cashflow After Financing**FINANCIAL BUDGET (AGGREGATED)**

(In USD) /a

	With Project				
	1	2	3	4	5
Main Production					
Field crops	571	644	863	1,082	1,155
Food crops	-	-	-	-	-
Horticulture	2,235	2,240	2,256	2,283	2,320
Sub-total Main Production	2,806	2,884	3,119	3,365	3,475
On-Farm Use					
Field crops	30	27	30	30	30
On-Farm Consumption					
Field crops	106	149	149	149	149
Food crops	350	663	663	663	663
Sub-Total On-Farm Consumption	456	812	812	812	812
Net Value Of Production	2,320	2,045	2,277	2,523	2,633
Purchased Consumption					
Field crops	38	52	45	45	45
Food crops	350	663	663	663	663
Sub-Total Purchased Consumption	389	716	708	708	708
INFLOWS	1,931	1,330	1,569	1,815	1,925
Production Cost					
Investment					
Investments	1,090	-	-	-	-
Operating					
Purchased Inputs					
Planting materials	155	155	155	155	155
Agrochemicals	784	907	966	1,097	1,045
Other inputs	523	691	795	887	937
Sub-Total Purchased Inputs	1,076	1,313	1,448	1,650	1,648
Hired Labor					
Female labor	-	-	-	-	-
Male labor	26	26	26	26	26
Hired labour	8	8	8	8	8
Sub-Total Hired Labor	34	34	34	34	34
Sub-total Operating Costs	1,109	1,347	1,482	1,684	1,682
Sub-Total Production Cost	2,199	1,347	1,482	1,684	1,682
OUTFLOWS	2,199	1,347	1,482	1,684	1,682
Cash Flow Before Financing	-268	-17	87	131	243
Farm Family Benefits Before Financing	188	795	899	943	1,055
Net Financing	853	-136	-201	2	-
Cash Flow After Financing	584	-152	-114	133	243
Change in Net Worth					
Contribution from own savings	1,022	-	-	-	-
Residual value of					
Transfer to Next Period	-	-	-	-	-
Sub-Total Change in Net Worth	-1,022	-	-	-	-
Farm Family Benefits After Financing	19	660	697	945	1,055
Returns per Family-Day of Labor	0	3	3	5	5

G. Sesame – Poultry Farm Household Model

37. This model examines the profitability of moving from a maize dominated model to a regime focusing on CSA practices for the dryland cropping, the introduction of sesame and the development of a poultry layer enterprise. The cropping pattern changes from WOP to WP are provided in Table 19. The main physical outputs for this household model are shown in Table 20. Detailed production and inputs schedule, as well as the financial budget for the Sesame - Poultry Farm Household, are provided in Appendix 3 Tables 5 and 6.

Table 19: Sesame - Poultry Farm Household Cropping Pattern

	Unit	WOP	WP	Incr
Cropping intensity	%	97	97	-
Existing Technology				
Maize OPV (with cowpea)	ha	1.00	-	-1.00
Small Grains (with pumpkin)	ha	0.30	-	-0.30
Groundnut/Bambarra	ha	0.25	-	-0.25
Sub-total Existing Technology	ha	1.55	-	-1.55
New Technology				
Maize Hybrid (with cowpea)	ha	-	0.50	0.50
Small Grains (with pumpkin)	ha	-	0.30	0.30
Groundnut/Bambarra	ha	-	0.25	0.25
Sesame	ha	-	0.50	0.50
Sub-total New Technology	ha	-	1.55	1.55
Total Cropped Area	ha	1.55	1.55	-

Source: SACP Design Team

Table 20: Sesame - Poultry Farm Household Model Production Summary

Key features at full development	1.6 hectare farm		
	Unit	Without	With
Sesame production	kgs/year	-	300
Maize production	kgs/year	1,000 OPV	1,500 Hybrid
Small grains	kgs/year	60	105
Pumpkin	kgs/year	750	1,500
Egg production	eggs/year	-	10,000

38. The financial analysis¹⁵ indicates a FIRR of 20.7 per cent and a FNPV of USD 2,072 at 10 per cent discount rate. These criteria indicate a profitable investment.

39. The financial sustainability of this illustrative model is indicated by a positive annual cashflow after financing in the years to full development in the With Project scenario (PY5) as shown in Table 21.

¹⁵ With family labour costed at market rates.

40. The annual farm family benefits after financing WP by Year 5 are estimated at USD 1,286. The returns per family day of labour WP are projected to rise to USD 7 per person day or around 1.75 the urban unskilled daily wage rate.

Table 21: Sesame - Poultry Farm Household Model Initial WP Cashflow After Financing

FINANCIAL BUDGET (AGGREGATED) (In USD) /a	With Project				
	1	2	3	4	5
Main Production					
Field crops	666	742	969	1,196	1,271
Food crops	347	365	421	476	495
Livestock products	225	375	750	1,000	1,000
Sub-total Main Production	1,238	1,483	2,139	2,672	2,766
On-Farm Use					
Field crops	27	27	27	29	29
On-Farm Consumption					
Field crops	98	137	149	149	149
Food crops	308	486	663	663	663
Sub-Total On-Farm Consumption	406	623	812	812	812
Net Value Of Production	805	833	1,300	1,832	1,925
Purchased Consumption					
Field crops	18	37	21	6	4
INFLOWS	786	796	1,280	1,825	1,921
Production Cost					
Investment					
Other inputs	400	10	20	30	40
Investments	220	-	-	-	300
Sub-total Investment Costs	620	10	20	30	340
Operating					
Purchased Inputs					
Planting materials	34	34	34	34	34
Agrochemicals	482	436	436	512	436
Other inputs	506	840	1,451	1,828	1,828
Sub-Total Purchased Inputs	792	945	1,232	1,466	1,391
Hired Labor					
Female labor	-	-	-	-	-
Male labor	17	17	17	17	17
Sub-Total Hired Labor	17	17	17	17	17
Sub-total Operating Costs	809	962	1,249	1,483	1,408
Sub-Total Production Cost	1,429	972	1,269	1,513	1,748
OUTFLOWS	1,429	972	1,269	1,513	1,748
Cash Flow Before Financing	-643	-177	11	312	174
Farm Family Benefits Before Financing	-237	446	823	1,124	986
Net Financing	457	-297	-244	-234	300
Cash Flow After Financing	-186	-473	-233	78	474
Change in Net Worth					
Contribution from own savings	213	-	-	-	-
Residual value of					
Transfer to Next Period	-	-	-	-	-
Sub-Total Change in Net Worth	-213	-	-	-	-
Farm Family Benefits After Financing	7	149	578	890	1,286
Returns per Family-Day of Labor	0	1	3	5	7

H. Irrigated Crops - Goat Farm Household Model

41. This model examines the profitability of moving from a mixed dryland cropping and livestock model to a regime with CSA on rainfed crops and irrigation for a cash crop (tomatoes) and fodder to support intensification of goat production. The cropping pattern changes from WOP to WP are provided in Table 22. The main physical outputs for this household model are shown in

42. Table 23. Full details of the production and inputs schedule as well as the financial modeling are provided in Appendix 3 Tables 7 and 8, respectively.

Table 22: Irrigated Crops - Goat Farm Household Cropping Pattern

	Unit	WOP	WP	Incr
Cropping intensity	%	167	167	-
Existing Technology				
Maize OPV (with cowpea)	ha	0.50	-	-0.50
Small Grains (with pumpkin)	ha	0.75	-	-0.75
Groundnut/Bambarra	ha	0.25	-	-0.25
Communal grazing	ha	1.00	-	-1.00
Sub-total Existing Technology	ha	2.50	-	-2.50
New Technology				
Maize Hybrid (with cowpea)	ha	-	0.50	0.50
Groundnut/Bambarra	ha	-	0.25	0.25
Tomato	ha	-	0.15	0.15
Communal grazing	ha	-	1.00	1.00
Forage legume - irrigated	ha	-	0.60	0.60
Sub-total New Technology	ha	-	2.50	2.50
Total Cropped Area	ha	2.50	2.50	-

Table 23: Irrigated Crops - Goat Household Farm Production Summary

Key features at full development	1.5 hectare farm		
	Unit	Without	With
Maize production	kgs/year	500 OPV	1,500 Hybrid
Cowpea production	kgs/year	50	125
Tomato production	kgs/year	-	3,000
Forage legume production	kgs/year	-	7,200
Goat	kg LW/year	116	487

43. The financial analysis indicates a FIRR of 42.7 per cent and a FNPV of USD 6,950 at 10 per cent discount rate. These criteria indicate a profitable investment.

44. The financial sustainability of this illustrative model is indicated by a positive annual cashflow after financing in the years to full development in the With Project scenario (PY5) as shown in Table 24

45. The annual farm family benefits after financing WP by Year 5 are estimated at USD 2,372. The returns per family day of labour WP are projected to rise to USD 15 per person day or around 4 times the urban unskilled daily wage rate.

Table 24: Irrigated Crops - Goat Farm Household Model Initial WP Cashflow After Financing

FINANCIAL BUDGET (AGGREGATED) (In USD) /a	With Project				
	1	2	3	4	5
Main Production					
Field crops	431	486	650	815	870
Food crops	-	-	-	-	-
Livestock products	190	186	253	305	393
Horticulture	600	615	659	733	837
Fodder & forage crops	1,051	1,145	1,426	1,707	1,801
Sub-total Main Production	2,272	2,431	2,988	3,560	3,901
On-Farm Use					
Field crops	27	27	27	29	29
Fodder & forage crops	0	0	0	0	0
Sub-Total On-Farm Use	27	27	27	29	29
On-Farm Consumption					
Field crops	107	149	149	149	149
Food crops	479	663	663	663	663
Sub-Total On-Farm Consumption	587	812	812	812	812
Net Value Of Production	1,658	1,592	2,149	2,719	3,059
Purchased Consumption					
Field crops	42	63	53	45	45
Food crops	53	108	108	108	108
Sub-Total Purchased Consumption	95	171	161	153	153
INFLOWS	1,563	1,420	1,988	2,566	2,906
Production Cost					
Investment					
Investments	1,604	-	-	-	1,000
Operating					
Purchased Inputs					
Planting materials	62	62	62	62	62
Agrochemicals	544	592	631	724	684
Other inputs	227	340	455	671	675
Sub-Total Purchased Inputs	753	909	1,057	1,360	1,323
Hired Labor					
Female labor	-	-	-	-	-
Male labor	7	8	9	10	13
Sub-Total Hired Labor	7	8	9	10	13
Sub-total Operating Costs	761	916	1,066	1,370	1,336
Sub-Total Production Cost	2,365	916	1,066	1,370	2,336
OUTFLOWS	2,365	916	1,066	1,370	2,336
Cash Flow Before Financing	-802	504	922	1,196	570
Farm Family Benefits Before Financing	-215	1,316	1,734	2,008	1,382
Net Financing	1,449	-150	-304	-966	989
Cash Flow After Financing	647	354	618	230	1,560
Change in Net Worth					
Contribution from own savings	1,188	-	-	-	-
Residual value of					
Transfer to Next Period	-	-	-	-	-
Sub-Total Change in Net Worth	-1,188	-	-	-	-
Farm Family Benefits After Financing	46	1,166	1,430	1,042	2,372
Returns per Family-Day of Labor	0	11	12	8	15

II. ECONOMIC ANALYSIS

A. Objective and Methodology

46. The objective of the economic analysis is to evaluate the expected contribution of the proposed project to the economic development of the project provinces and the economy at large. The purpose of such an analysis is to determine whether the economic benefits sufficiently justify the use of the project resources.

47. For the purposes of the economic analysis the smallholder APG member agriculture output forms the focus of the benefit modelling. The four farm model types described in financial analysis are converted to economic models and combined with the estimate of the number of farms of each model type to form an aggregated incremental economic benefit model. The analysis recognises that indirect benefits will also arise to those persons dependent exclusively on agricultural labour. Indirect benefits are foreseen in employment generation arising in enhanced agricultural production and processing as well as decreasing the pressure on natural resources through a shift towards more intensive CSA based farming on irrigated and rainfed lands. These benefits as well as those arising from enhancing nutritional outcomes are recognised but do not form part of the quantitative modelling¹⁶. The incremental economic costs are the provided by the Costab analysis of the SACP investment and recurrent costs converted to economic terms.

48. **Approach** The valuation of the incremental production at household level forms the basis of the benefit valuation framework¹⁷. Individual crop production enterprise models representing the likely field and cash crop combinations are established. In the manner described in the financial analysis, crop enterprise models are combined to estimate incremental smallholder farming household production and cashflow. These representative households are then aggregated to establish a project level value of incremental production. This is then combined with incremental project costs to derive the key appraisal indicators.

49. **Target population and participation.** The primary target of the core investments is the smallholder farming population the four SACP provinces. These provinces cover some of the poorest regions of Zimbabwe. In total, SACP will support the operations of approximately 800 agricultural producer groups (APG). The average smallholder membership per APG is estimated at 30 households, with the total target of reaching 120,000 individuals. The SACP support to the improvement of community infrastructure in and around the SACP areas is expected to benefit many thousands of rural households. Additional indirect beneficiaries are expected through the investments in such services as agricultural demonstrations, manual, policy work and presentations in radio, internet and other media.

50. The derivations of farming household and beneficiaries driving the economic analysis is shown below in Table 25.

51. The theory of change describing the nature and the logic of the interventions is included in the Main Report and Annex 2. The process and the mechanisms involved to engage and support the participating households are presented in Annex 6 ABWP and Annex 8 Project Implementation Manual.

¹⁶ A note on non-quantified benefits is provide below.

¹⁷ Achieved through the application of a Without and With project analytical framework.

52. The 24,000 target households are split evenly across the four illustrative model types in the absence of any other rationale.

Table 25: APG Household Participation Assumptions

	PY 1	PY 2	PY 3	PY 4	PY 5	PY 6
Target APG Households by Farm Type						
Small grains - Goat	750	1,500	1,500	1,500	750	-
Maize - Horticulture	750	1,500	1,500	1,500	750	-
Sesame – Poultry	750	1,500	1,500	1,500	750	-
Irrigated Crops - Goat	750	1,500	1,500	1,500	750	-
Total – incremental	3,000	6,000	6,000	6,000	3,000	-
Total – cumulative	3,000	9,000	15,000	21,000	24,000	24,000
APG Household by Farm Type Adjusted for Adoption Rate ^{\1}						
Small grains - Goat	563	1,125	1,125	1,125	563	-
Maize - Horticulture	563	1,125	1,125	1,125	563	-
Sesame – Poultry	563	1,125	1,125	1,125	563	-
Irrigated Crops - Goat	563	1,125	1,125	1,125	563	-
Total – incremental	2,250	4,500	4,500	4,500	2,250	-
Total – cumulative	2,250	6,750	11,250	15,750	18,000	18,000
APG Beneficiaries by farm type						
Small grains - Goat	2,813	5,625	5,625	5,625	2,813	-
Maize - Horticulture	2,813	5,625	5,625	5,625	2,813	-
Sesame – Poultry	2,813	5,625	5,625	5,625	2,813	-
Irrigated Crops - Goat	2,813	5,625	5,625	5,625	2,813	-
Total – incremental	11,250	22,500	22,500	22,500	11,250	-
Total – cumulative	11,250	33,750	56,250	78,750	90,000	90,000

^{\1} Assumes 75% adoption rate
Source: Consultant's estimates

53. **Aggregation** The household farm type phasing and quantities shown in the table above are the basis of the aggregation of the respective farm models described earlier into the discounted cashflow that forms the economic cost benefit analysis (CBA) model. When a farm is recruited into the CBA in, for example project year (PY) 2, that farm's twenty-year projection enters the model in PY 2. Similarly, farms recruited in the PY 3 have their twenty-year projection commencing in the CBA in PY 3. In this way all the farms of one type of illustrative model form a sub-project for that model type. When all the farm type sub-projects are aggregated a project perspective is derived.

54. The distributions of farm numbers and areas together with the resulting aggregations in physical and economic terms for each farm type and the overall project are presented in Appendix 4 Farm Model Aggregations.

B. Cost Benefit Analysis

55. **Main Assumptions.** The key parameters underpinning the economic analysis are presented below¹⁸.

¹⁸ The analysis employs the function available in both Costab and Farmod to generate economic costs and benefits respectively.

Parameter	Value	Remarks
Currency		Given the current economic situation the EFA is undertaken in USD
Standard conversion factor	1	As commonly applied in recent projects designs in Zimbabwe. As appropriate all prices are adjusted using the SCF in lieu of specific adjustment factors.
Value added tax	14%	Included in project costs and eliminated as appropriate for conversion to economic costs.
Shadow wage rate factor (SWRF)	95%	Applied to unskilled wage rates to reflect the relative abundance of unskilled labour, though in some locations at sometimes of year this may undervalue unskilled labour due to the temporary migration of labour to other parts of Zimbabwe or abroad.
Social Rate of Discount	10%	<p>The discount rate for the economic analysis is the estimate of the social discount rate (SDR) or rate of time preference. For the purposes of this analysis this is taken as 10%. In normal circumstance this is assumed to: i) reflect the public nature of the investment; ii) account for scarcity of resources; and iii) ensure good use of public funds.</p> <p>Deriving an SDR based on the average of the long-term public bond rates and long-term deposit rates is impractical due to the current economic crisis.</p> <p>The Government does not currently have a working national currency and is there is no bond market. Zimbabwe has no current credit rating. The over night lending rate by the Reserve Bank is 35% and Y-O-Y inflation is 737% (as of 5/08/20)</p> <p>The rate of 10% was applied as it is consistent with the most recent IFAD appraisal in Zimbabwe the Smallholder Irrigation Revitalization Programme.</p>
Project life	20	Twenty 20 years has been assumed or the project life in line with the investment lifecycle.
Cost base	2020	Projections are made in July 2020 price terms.
Traded goods		To approximate the opportunity costs to the country, the valuation of tradable inputs and outputs in economic analysis relies on border rather than on domestic market prices. For all tradable outputs and inputs, border prices have been calculated by adding or deducting the corresponding export taxes or import duties and applying the SCF.
Non-tradable goods		Market prices were used as shadow prices for non-tradable goods and services as there are no major indications that a significant market-distortion (i.e. monopoly, rationing policies, etc.) is affecting these goods.
Externalities		In lieu of specific impact information the impact of negative externalities have not been included. The sensitivity analysis goes some way to investigation the impact of additional environmental costs. EIAs will be under conducted for all irrigation and ground water abstraction related activities.

Source: SACP Design Team

56. Quantified Benefits – Incremental Production. The quantified benefits assume a phased introduction of the beneficiary household farm models. The assumed uptake in incremental and cumulative terms across the farm types is shown in Table 25.

57. The adoption rate assumed is 75 per cent. This rate is justified due to the nature of the interventions under Component 1 in both producer group mentoring to facilitate participation as well as the need to adopt specific CSA practices. In addition, the vagaries of the weather and markets can also cause lack of adoption / drop-out. Given this adoption rate the expected number of direct beneficiaries is reduced from the target of 120,000 to around 90,000. The project's economic incremental benefits are derived through the aggregation of the individual household benefits in economic terms as described above.

58. The economic incremental benefits include an allowance for the project benefits extended to the broader outreach target. While the 24,000 households represent the direct Component 1 APG target group, there are 54,000 households who will also receive benefits through other Component 1 and Component 2 activities. It is envisaged that this will be in the form of benefits from rural infrastructure development¹⁹ and growth employment opportunities. In addition to these elements, growth in the agri-business supply chains is also considered to as a real possibility. For example, the investments in lead enterprises may expand the supply chains to additional growers in the outreach community beyond the APG households.

59. As a proxy for this range of indirect benefits it is assumed that the 54,000 households will receive benefits at 25 per cent that of the APG household benefits phased in the same manner.

60. **Increment economic costs.** The costs are based on the full SACP project costing. Costs have been adjusted to economic terms with taxes, duties and price contingencies removed and the SCF applied. The double counting of the APG investment costs (namely the grant, household in-kind and cash contributions identified in the project costs as well as the farm models) is avoided by deducting that amount from the project costs.

61. The project incremental cash flow includes allowances for: (a) the annual post-project recurrent costs to maintain the SACP value chain infrastructure, assumed at 5 per cent of investment costs per annum; (b) the ongoing recurrent costs related to the MSME and Lead Enterprise investments assumed at 5 per cent of initial investment.

62. Note that the farm models assume that the operations are their own responsibility. None of the costs that are defined in the cost tables are elements in the farm models.

63. **Economic Viability** Three indicators have been used to assess the overall performance of the project. These are: (i) the economic internal rate of return (EIRR); (ii) the economic net present value (ENPV) and the benefit cost ratio (BCR). These were estimated using cash flow of the incremental benefit and cost streams as outlined above (refer to Appendix 5 for a summary discounted cash flow). The overall SACP project EIRR is 25 per cent. The estimated ENPV at a 10 per cent discount rate is USD 56.5 million. The BCR of 2.42 indicates a return of USD 2.42 for every dollar invested. These results indicate that the project is a sound investment yielding a positive rate of return as the EIRR greater than the hurdle rate (10 per cent) and the ENPV is greater than zero²⁰.

64. These returns described above are further supported by the additional non-quantified benefits derived from the establishment and/or improvement to rural access, market linkages across the value chains as well as the development of agricultural extension services and household improvements. The later will be through the

¹⁹ Refer to Appendix 6 for an overview of the benefits arising from rural roads.

²⁰ A social discount rate of 10% is assumed consistent with current IFAD practice.

investments in gender, youth and nutrition training. The conclusion of this analysis is therefore is that the investment in the Project is viable from an economic perspective.

Risks and Sensitivity The main identified risks that may affect the economic outcome of the Project area are outlined in Table 26. A sensitivity analysis has been conducted to assess the potential impact of these risks resulting: in reduced benefits; increased costs; delayed benefits and combinations thereof (see Table 27). This analysis reveals that except in the worst-case combinations the project remains viable.

65. An increase in programme costs by 10 per cent will reduce the EIRR to 23.3 per cent, while a decrease in overall programme benefits by 20 per cent will result in an EIRR of 21.7 per cent. A one-year delay in benefits reduces the EIRR to 21.5 per cent and a two-year delay to 18.8 per cent. A combination of a reduction in benefits of 20 per cent and an increase in costs by 20 per cent reduces the EIRR to 17.8 per cent indicating the investment remains viable in the face of adverse circumstances of that nature.

The switching values show that the programme remains economically viable if benefits decreased by 59 per cent, or programme costs increased by 142 per cent.

66. Table 27 below provides an overview of the various scenarios of the sensitivity analysis and confirms the economic viability of the Project except in the most adverse of circumstances. Based on these results it is fair to conclude that the economic benefits justify the use of the project resources.

67. In addition to the sensitivity analysis in Table 27 two other sensitivity tests were conducted on specific input variables. The first of these examined the impact if only 80 per cent of the expected yield increment on the field and horticulture crops was realised. In this instance the EIRR drops to 19.7 per cent.

68. The second specific sensitivity considers an adoption rate lower than the 75 per cent assumption in the base case. Thus, a 50 per cent adoption rate is considered. In this instance the EIRR drops to 17.8 per cent and the ENPV remains positive. It is thus fair to conclude that the project could bear a substantial reduction in the expected number of targeted households adopting.

Table 26: Overview of Main Project Risks affecting Project Economic Outcome

Risk category	Risk	Likelihood/severity	Potential impact reflected in sensitivity analysis		
			Reduced benefits	Increased costs	Delayed benefits
Economy and Market Risks	External shocks to macro economy.	M/H	X	X	X
	Increase cost of inputs.	L/H		X	
	Reduced producer prices.	L/H	X		
	Reduced demand.	L/H	X		
Institutional	Changes to provincial and district administrative systems	M/H	X	X	X
	Insufficient cohesion within farmer groups affect their success potential	M	X		X
	Ineffective coordination between provinces, districts and supply chain related enterprises undermining implementation progress				
	Unsustainable use of Project-financed civil works and inadequate capacity for on-going maintenance.	M	X		X
	Elite capture/ disadvantaged groups not able to participate effectively	L/M	X		X
Market	Lack of technical capacity to respond to the identified needs	M	X	X	X
	Lower market prices for commodities	M	X		X
	Financial service providers not interested to invest in Project targeted initiatives	M	X		X
Policy	Farmers not treated as clients by government agencies and supply chain entities Climate change adaptation does not underpin agricultural and rural development policies at district levels Poor business environment does not provide incentive for supply chain investments.	M	X		X
Others	Natural calamities including flood and drought lower output of farm production.	H	XX	X	XX
	Damages to civil works built caused by natural disasters, like floods and land sliding.	M	X		X

Source: SACP Design Team

Table 27 SACP Sensitivity Analysis

Scenario			Link to Risk Matrix Issues	EIRR ^{\1}	ENPV (USD '000) ^{\2}
Base Case				25.0	56,492
<i>Δ% to Base Case</i>					
Project Costs	Incr'1 Benefits	Benefits delayed			
+ 10%			Increase in the cost of inputs.	23.3%	52,509
+ 20%				21.7%	48,525
	- 20%		Reduced producer prices / demand. Infrastructure investments are not directed to areas of highest production potential. Technical coordination by the implementing agencies and service providers is not responsive to the group level needs.	21.0%	37,227
	- 40%			16.0%	17,962
+ 10%	- 10%		Combinations of the above	21.4%	42,876
+ 20%	- 20%			17.8%	29,260
Base Case	Base Case	1 year	Ineffective inter-institutional cooperation & dialogue on development issues means financing is not disbursed in a timely manner to support field implementation.	21.5%	47,735
		2 years		18.8%	39,774
		3 years		16.8%	32,537
Base case	- 20%	1 year	Insufficient cohesion within farmer groups affect their success potential Ineffective coordination between provinces, districts, villages and supply chain enterprises undermining implementation progress Grants diverted for other purposes	16.6%	26,238
		2 years		14.7%	19,869
		3 years		13.1%	14,080
+ 20%	- 20%	2 years	Climate-change and disaster impacts. External shocks to macro economy.	13.5%	15,886
Switching Values ^{\2}					
Benefits		(59%)			
Costs		142%			

Source: SACP economic model

¹ Hurdle rate 10 per cent.

² Discounted at 10 per cent, results rounded.

² Per cent change in cost and/or benefit streams to obtain an ENPV of USD 0, i.e., economic viability threshold.

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III. APPENDIX 1 – FINANCIAL AND ECONOMIC PRICES

Appendix 1 Table 1: Financial and Economic Prices

Zimbabwe

Smallholder Agriculture Cluster Project

PRICES

(In USD)

	Unit	Financial 2010 to 2029	Economic 2010 to 2029	Econ Rule Calc Rule
Outputs				
Field crops				
Maize - OPV /a	kg	0.39	0.29	CF: 0.75
Maize - Hybrid /b	kg	0.35	0.26	CF: 0.75
Sorghum / pearl millet	kg	0.39	0.29	CF: 0.75
Cowpea (intercropped) /c	kg	0.36	0.27	CF: 0.75
Groundnut / Bambarra nut	kg	1.20	0.90	CF: 0.75
Sesame	kg	1.20	0.90	CF: 0.75
Food crops /d				
Pumpkin (intercropped) /e	kg	0.33	0.25	CF: 0.75
Ground/Bambarra nuts	kg	1.00	0.75	CF: 0.75
Citrus	kg	0.50	0.38	CF: 0.75
Green leafy vegetables /f	kg	0.50	0.38	CF: 0.75
Livestock products				
Goat liveweight /g	kg LW	0.83	0.69	CF: 0.83
Broilers	each	3.00	2.49	CF: 0.83
Eggs	each	0.10	0.08	CF: 0.83
Horticulture				
Tomatoes	kg	0.40	0.29	CF: 0.72
Sugar snap peas	kg	1.30	1.72	CF: 1.32
Fodder & forage crops				
Forage legume - dryland /h	kg	0.25	0.25	CF: 1
Forage legume - irrigated /i	kg	0.25	0.25	CF: 1
Communal grazing /j	kg DM	0.00	0.00	CF: 1
Inputs				
Planting materials				
Maize seed - hybrid	kg	2.00	1.70	CF: 0.85
Sesame seed	kg	2.20	1.87	CF: 0.85
Sesame - seed treatment /k	ml	0.45	0.38	CF: 0.85
Groundnut/Bambarra seed	bag	1.80	1.53	CF: 0.85
Tomato seed	kg	150.00	127.50	CF: 0.85
Sugar snap seeds	kg	11.00	9.35	CF: 0.85
Forage legume seed	kg	7.00	5.95	CF: 0.85
Inoculant (forage legume)	sachet	5.00	4.25	CF: 0.85
Fertilisers				
Compound D /l	kg	0.70	0.54	CF: 0.77
Ammonium nitrate /m	kg	0.70	0.54	CF: 0.77
Lime	kg	0.12	0.09	CF: 0.77
Gypsum	kg	0.12	0.09	CF: 0.77
Compound C	kg	0.70	0.54	CF: 0.77
Calcium nitrate	kg	1.60	1.23	CF: 0.77
Murate of Potash	kg	0.13	0.10	CF: 0.77
Best Bloom	kg	6.00	4.62	CF: 0.77

Financial and Economic Prices (Continued)

(In USD)

	Unit	Financial 2010 to 2029	Economic 2010 to 2029	Econ Rule Calc Rule
Herbicides				
Herbicide - Glyphosate	ltr	9.00	7.38	CF: 0.82
Herbicide - Atrazine	ltr	8.00	6.56	CF: 0.82
Herbicide - Metalochlor/Dual	ltr	15.00	12.30	CF: 0.82
Herbicide - Alachlor	ltr	12.00	9.84	CF: 0.82
Herbicide - Bentazon	ltr	15.00	12.30	CF: 0.82
Herbicide - Frontier	ltr	23.00	18.86	CF: 0.82
Herbicide - Sencor	ltr	15.00	12.30	CF: 0.82
Herbicide - Roundup 3%	ltr	7.00	5.74	CF: 0.82
Pesticides				
Pesticide - Dipterex/Carbaryl	kg	10.00	8.20	CF: 0.82
Pesticide - Carbaryl	kg	10.00	8.20	CF: 0.82
Pesticide - Thionex/Thiodan	kg	7.60	6.23	CF: 0.82
Pesticide - Trichloforn	kg	5.00	4.10	CF: 0.82
Pesticide - Dimethoate	ltr	10.00	8.20	CF: 0.82
Pesticide - Lambda-cyhalothrin /n	ltr	4.00	3.28	CF: 0.82
Pesticide - Dithane M45 /o	kg	2.00	1.64	CF: 0.82
Pesticide - Carbaryl WP /p	kg	10.00	8.20	CF: 0.82
Pesticide - Copper oxychloride /q	kg	23.00	18.86	CF: 0.82
Pesticide - Agriwet /r	ltr	5.00	4.10	CF: 0.82
Insecticide				
Insecticide - Molasses	ltr	0.40	0.33	CF: 0.83
Insecticide - Karate	kg	11.00	9.13	CF: 0.83
Insecticide - Fastac	kg	5.60	4.65	CF: 0.83
Insecticide - Decis	kg	44.00	36.52	CF: 0.83
Insecticide - Levo	kg	50.00	41.50	CF: 0.83
Insecticide - Teepol	kg	1.40	1.16	CF: 0.83
Insecticide - Tracer (Spinosad)	kg	586.00	486.38	CF: 0.83
Fungicide				
Fungicide - Copper	kg	9.10	7.46	CF: 0.82
Fungicide - Dithane	kg	7.32	6.00	CF: 0.82
Fungicide - Ortiva	kg	65.60	53.79	CF: 0.82
Fungicide - Sulphur	kg	3.20	2.62	CF: 0.82
Fungicide - Rovral	kg	27.24	22.34	CF: 0.82

Financial and Economic Prices (Continued)

(In USD)

	Unit	Financial 2010 to 2029	Economic 2010 to 2029	Econ Rule Calc Rule
Other costs				
Boxes /s	each	0.50	0.50	CF: 1
Tractor hire - ploughing	hectare	80.00	80.00	CF: 1
Oxen hire - ploughing	lumpsum	Value Basis	Value Basis	CF: 1
Oxen hire - ripping	lumpsum	Value Basis	Value Basis	CF: 1
Innoculant	sachet	5.00	5.00	CF: 1
Poly bags /t	each	0.50	0.50	CF: 1
T9 twine	cords	0.30	0.30	CF: 1
Pump fuel /u	ltr	1.20	1.20	CF: 1
Water charges	m3	0.01	0.01	CF: 1
Field lug hire	each	0.50	0.50	CF: 1
Packhouse lug hire	each	0.03	0.03	CF: 1
Mechanical land preparation	lump sum	Value Basis	Value Basis	CF: 1
Mechanical bed making	lump sum	Value Basis	Value Basis	CF: 1
Tray rentals /v	trip	0.05	0.05	CF: 1
Livestock				
Goat vaccines and treatments	per head	1.00	0.76	CF: 0.76
Poultry vaccines and treatments	per bird	0.50	0.38	CF: 0.76
Feed supplements - goats	per head	1.00	0.76	CF: 0.76
Feed supplements - poultry	per head	0.10	0.08	CF: 0.76
Livestock feed requirement /w	kg	0.39	0.30	CF: 0.76
Chicks (layers) /x	batch	25.00	19.00	CF: 0.76
Hens (Point of lay) - initial /y	each	10.00	7.60	CF: 0.76
Hens (Point of lay) - replacement /z	each	10.00	7.60	CF: 0.76
Layer feed /aa	kg	0.42	0.32	CF: 0.76
Investments				
Conservation agric. equipment /bb	set	500.00	500.00	CF: 1
Hand thresher	unit	1.00	1.00	CF: 1
Drip irrigation kit /cc	set	1.00	1.00	CF: 1
Horticulture equipment	set	1.00	1.00	CF: 1
Layer house and run	lump sum	Value Basis	Value Basis	CF: 1
SACP MG: Household contribution /dd	lump sum	Value Basis	Value Basis	CF: 1
Additional HH investment	lump sum	Value Basis	Value Basis	CF: 1
Annual farm operating				
Annual mainten. / replac. / marketing	lump sum	Value Basis	Value Basis	CF: 0.97
Labor				
Female family labor				
Jan female -	woman day	2.00	1.90	CF: 0.95
Feb female -	woman day	2.00	1.90	CF: 0.95
Mar female -	woman day	2.00	1.90	CF: 0.95
Apr female -	woman day	2.00	1.90	CF: 0.95
May female -	woman day	2.00	1.90	CF: 0.95
Jun female -	woman day	2.00	1.90	CF: 0.95
Jul female -	woman day	2.00	1.90	CF: 0.95
Aug female -	woman day	2.00	1.90	CF: 0.95
Sep female -	woman day	2.00	1.90	CF: 0.95
Oct female -	woman day	2.00	1.90	CF: 0.95
Nov female -	woman day	2.00	1.90	CF: 0.95
Dec female -	woman day	2.00	1.90	CF: 0.95

Financial and Economic Prices (Continued)

Male family labor

Jan male -	man day	2.00	1.90	CF: 0.95
Feb male -	man day	2.00	1.90	CF: 0.95
Mar male -	man day	2.00	1.90	CF: 0.95
Apr male -	man day	2.00	1.90	CF: 0.95
May male -	man day	2.00	1.90	CF: 0.95
Jun male -	man day	2.00	1.90	CF: 0.95
Jul male -	man day	2.00	1.90	CF: 0.95
Aug male -	man day	2.00	1.90	CF: 0.95
Sept male -	man day	2.00	1.90	CF: 0.95
Oct male -	man day	2.00	1.90	CF: 0.95
Nov male -	man day	2.00	1.90	CF: 0.95
Dec male -	man day	2.00	1.90	CF: 0.95

Hired labour

Hired labour - bird scaring	person day	3.00	2.85	CF: 0.95
Hired labour - Planting	person day	3.00	2.85	CF: 0.95

\a Open pollinated varieties.

\b Short season drought and heat tolerant hybrid in NRIV, medium and long season variety in NRIII and II

\c Intercropped with maize

\d Crops for domestic consumption

\e Example of cucurbits (also cucumbers and melons grown)

\f Cabbage / kale

\g LW - Liveweight 2 yrs old local goat ~30kg sells for USD25

\h Velvet Bean (Mucuna) dryland

\i Velvet Bean (Mucuna) irrigated

\j Dry matter source for goat production

\k E.g. Gaucho 600

\l Phosphorous fertilizer with a ratio of 8% N, 14% P2O5, 7% K2O.

\m 35% N

\n E.g. Karate for sesame

\o For tomatoes

\p For tomatoes

\q For tomatoes

\r For tomatoes

\s Packing for tomatoes.

\t 50kg each

\u For irrigation pump

\v For sugar snap peas

\w Maize equivalent based on ruminant energy needs.

\x batch of 50 chicks

\y 18 to 22 weeks old

\z 18 to 22 weeks old

\aa Layer Mash @ US\$21/50kg

\bb Magoye tynes, jab planters, knapsack sprayers

\cc Farmer kit for HH with permanent water source.

\dd Under Category 1: APG Climate Smart Co-Investments - see text for details

Prices and other outputs contained herewith from FARMOD: Version 4.02

Developed under the leadership of the World Bank with cooperation of the FAO and IFAD

IV. APPENDIX 2 – CROP AND LIVESTOCK PRODUCTION MODELS

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Notes on Appendix 2 Tables

1. The production models are presented in the form of a gross margin analysis with separate tables for the production/inputs and financial budgets
2. Figures shaded in yellow are quoted in the text.
3. All modelling is undertaken over a 20-year projection period.
4. Gross margin models are presented showing the existing/new technology scenarios and the incremental changes.
5. For the presentational simplicity only the first 5 years of the Farm Model Without and With Project projections are displayed.
6. The farm model cropping pattern tables (Appendix 3) present how the crops are included in the analysis.
7. All Appendix 1 tables are available in the project file in Excel format.

Appendix 2 Table 1: Maize (with Cowpea) - Yields and Inputs

Zimbabwe
Smallholder Agriculture Cluster Project
Maize (with cowpea) Crop Model
YIELDS AND INPUTS
(Per ha) /a

Unit	Existing Technology	New Technology					Increments				
	1 to 5	1	2	3	4	5	1	2	3	4	5
Main Production											
Maize - OPV	kg	1,000	-	-	-	-	-1,000	-1,000	-1,000	-1,000	-1,000
Maize - Hybrid	kg	-	1,500	1,688	2,250	2,813	1,500	1,688	2,250	2,813	3,000
Cowpea (intercropped)	kg	100	100	119	175	231	250	19	75	131	150
By Products											
Maize stover - OPV	kg	500	-	-	-	-	-500	-500	-500	-500	-500
Maize stover - hybrid	kg	-	750	844	1,125	1,407	750	844	1,125	1,407	1,500
Operating Inputs											
Maize seed - traditional	kg	25	-	-	-	-	-25	-25	-25	-25	-25
Maize seed - hybrid	kg	-	25	25	25	25	25	25	25	25	25
Cowpea seed	kg	10	10	10	10	10	-	-	-	-	-
Compound D	kg	100	100	119	175	231	250	19	75	131	150
Ammonium nitrate	kg	100	100	119	175	231	250	19	75	131	150
Lime	kg	-	600	-	-	600	600	-	-	600	-
Herbicide - Glyphosate	litr	-	3	3	3	3	3	3	3	3	3
Herbicide - Atrazine	litr	-	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Herbicide - Metalochlor/Dual	litr	-	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pesticide - Dipterex/Carbaryl	kg	5	5	5	5	5	-	-	-	-	-
Pesticide - Thionex/Thiodan	kg	0.2	0.2	0.2	0.2	0.2	-	-	-	-	-
Oxen hire - ploughing	lumpsum	80	-	-	-	-	-80	-80	-80	-80	-80
Oxen hire - ripping	lumpsum	-	27	27	27	27	27	27	27	27	27
Poly bags	each	20	40	60	80	100	20	40	60	80	80
T9 twine	cords	2.5	5	8	10	13	2.5	5.5	7.5	10.5	10.5
Labor											
Oct male - Ripping	man day	-	2	2	2	2	2	2	2	2	2
Nov male - Ploughing	man day	6	-	-	-	-	-6	-6	-6	-6	-6
Dec male - Planting	man day	2	2	2	2	2	-	-	-	-	-
Dec female - Planting	woman day	2	2	2	2	2	-	-	-	-	-
Jan male - Weeding	man day	10	5	5	5	5	-5	-5	-5	-5	-5
Jan female - Weeding	woman day	10	5	5	5	5	-5	-5	-5	-5	-5
Feb male - Weeding	man day	10	-	-	-	-	-10	-10	-10	-10	-10
Feb female - Weeding	woman day	10	-	-	-	-	-10	-10	-10	-10	-10
Mar male - Weeding	man day	5	-	-	-	-	-5	-5	-5	-5	-5
Mar female - Weeding	woman day	5	-	-	-	-	-5	-5	-5	-5	-5
Apr male - Pesticide app	man day	2	2	2	2	2	-	-	-	-	-
May male - Harvesting	man day	1	1	1	1	1	-	-	-	-	-
May female - Harvesting	woman day	1	2	2	2	2	1	1	1	1	1
June male - Threshing, bagging	man day	2	2	3	4	5	-	1	2	3	3
June female - Threshing, bagging	woman day	3	3	4	5	6	-	1	2	3	3

Appendix 2 Table 2: Maize (with cowpea) - Financial Budget

Zimbabwe
Smallholder Agriculture Cluster Project
Maize (with cowpea) Crop Model
FINANCIAL BUDGET
(In USD Per ha) /a

Maize (with cowpea) Crop Model												
FINANCIAL BUDGET												
(In USD Per ha) /a												

	Existing Technology		New Technology					Increments				
	1 to 5	1	2	3	4	5	1	2	3	4	5	
Revenue												
Maize - OPV	390	-	-	-	-	-	-390	-390	-390	-390	-390	
Maize - Hybrid	-	525	591	788	985	1,050	525	591	788	985	1,050	
Cowpea (intercropped)	36	36	43	63	83	90	-	7	27	47	54	
Sub-total Revenue	426	561	634	851	1,068	1,140	135	208	425	642	714	
Input costs												
Maize seed - hybrid	-	50	50	50	50	50	50	50	50	50	50	
Compound D	70	70	83	123	162	175	-	13	53	92	105	
Ammonium nitrate	70	70	83	123	162	175	-	13	53	92	105	
Lime	-	72	-	-	72	-	72	-	-	72	-	
Herbicide - Glyphosate	-	27	27	27	27	27	27	27	27	27	27	
Herbicide - Atrazine	-	20	20	20	20	20	20	20	20	20	20	
Herbicide - Metalochlor/Dual	-	23	23	23	23	23	23	23	23	23	23	
Pesticide - Dipterex/Carbaryl	50	50	50	50	50	50	-	-	-	-	-	
Pesticide - Thionex/Thiodan	2	2	2	2	2	2	-	-	-	-	-	
Oxen hire - ploughing	80	-	-	-	-	-	-80	-80	-80	-80	-80	
Oxen hire - ripping	-	27	27	27	27	27	27	27	27	27	27	
Poly bags	10	20	30	40	50	50	10	20	30	40	40	
T9 twine	1	2	2	3	4	4	1	2	2	3	3	
Sub-total Input costs	282	432	397	486	647	602	149	115	204	365	320	
Income (Before Labor Costs)	144	129	237	364	420	538	-14	93	221	277	394	
Labor costs												
Oct male - Ripping	-	4	4	4	4	4	4	4	4	4	4	
Nov male - Ploughing	12	-	-	-	-	-	-12	-12	-12	-12	-12	
Dec male - Planting	4	4	4	4	4	4	-	-	-	-	-	
Dec female - Planting	4	4	4	4	4	4	-	-	-	-	-	
Jan male - Weeding	20	10	10	10	10	10	-10	-10	-10	-10	-10	
Jan female - Weeding	20	10	10	10	10	10	-10	-10	-10	-10	-10	
Feb male - Weeding	20	-	-	-	-	-	-20	-20	-20	-20	-20	
Feb female - Weeding	20	-	-	-	-	-	-20	-20	-20	-20	-20	
Mar male - Weeding	10	-	-	-	-	-	-10	-10	-10	-10	-10	
Mar female - Weeding	10	-	-	-	-	-	-10	-10	-10	-10	-10	
Apr male - Pesticide app	4	4	4	4	4	4	-	-	-	-	-	
May male - Harvesting	2	2	2	2	2	2	-	-	-	-	-	
May female - Harvesting	2	4	4	4	4	4	2	2	2	2	2	
June male - Threshing, bagging	4	4	6	8	10	10	-	2	4	6	6	
June female - Threshing, bagging	6	6	8	10	12	12	-	2	4	6	6	
Sub-total Labor costs	138	52	56	60	64	64	-86	-82	-78	-74	-74	
Income (After Labor Costs)	6	77	181	304	356	474	72	175	299	351	468	

Appendix 2 Table 3: Small Grains (with pumpkins) Gross Margin - Yields and Inputs

Zimbabwe

Smallholder Agriculture Cluster Project

Small Grains (with pumpkin) Crop Model

YIELDS AND INPUTS

(Per ha) /a

Small grains (with pumpkin) Crop model

YIELDS AND INPUTS

(Per ha) /a

		Existing Technology	New Technology					Increments				
	Unit	1 to 5	1	2	3	4	5	1	2	3	4	5
Main Production												
Sorghum / pearl millet	kg	200	200	219	275	331	350	-	19	75	131	150
Pumpkin (intercropped)	kg	2,500	2,500	2,813	3,750	4,688	5,000	-	313	1,250	2,188	2,500
By Products												
Small grains stover	kg	500	750	1,000	1,250	1,250	1,250	250	500	750	750	750
Operating Inputs												
Small grain seed	kg	10	10	10	10	10	10	-	-	-	-	-
Pumpkin seed	kg	5	5	5	5	5	5	-	-	-	-	-
Compound D	kg	50	200	200	200	200	200	150	150	150	150	150
Ammonium nitrate	kg	50	100	100	100	100	100	50	50	50	50	50
Lime	kg	-	600	-	-	600	-	600	-	-	600	-
Herbicide - Glyphosate	ltr	-	3	3	3	3	3	3	3	3	3	3
Herbicide - Atrazine	ltr	-	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Herbicide - Alachlor	ltr	-	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pesticide - Carbaryl	kg	1	1	1	1	1	1	-	-	-	-	-
Pesticide - Trichlofon	kg	3	3	3	3	3	3	-	-	-	-	-
Oxen hire - ploughing	lumpsum	80	-	-	-	-	-	-80	-80	-80	-80	-80
Oxen hire - ripping	lumpsum	-	27	27	27	27	27	27	27	27	27	27
Poly bags	each	20	30	40	50	50	50	10	20	30	30	30
T9 twine	cords	2.5	3	4	5	5	5	0.5	1.5	2.5	2.5	2.5
Labor												
Oct male - Ripping	man day	-	2	2	2	2	2	2	2	2	2	2
Nov male - Ploughing	man day	6	-	-	-	-	-	-6	-6	-6	-6	-6
Dec male - Planting	man day	2	2	2	2	2	2	-	-	-	-	-
Dec female - Planting	woman day	2	2	2	2	2	2	-	-	-	-	-
Feb male - Weeding	man day	5	2	2	2	2	2	-3	-3	-3	-3	-3
Feb female - Weeding	woman day	10	2	2	2	2	2	-8	-8	-8	-8	-8
Mar male - Weeding	man day	5	2	2	2	2	2	-3	-3	-3	-3	-3
Mar female - Weeding	woman day	5	2	2	2	2	2	-3	-3	-3	-3	-3
Apr male - Pesticide app	man day	2	2	2	2	2	2	-	-	-	-	-
Apr male - Bird scaring	man day	6	6	6	6	6	6	-	-	-	-	-
Apr female - Bird scaring	woman day	6	6	6	6	6	6	-	-	-	-	-
May male - Harvesting	man day	1	1	1	1	1	1	-	-	-	-	-
May female - Harvesting	woman day	1	2	2	2	2	2	1	1	1	1	1
June male - Threshing, winnowing	man day	2	2	3	4	5	5	-	1	2	3	3
June female - Threshing, winnowing	woman day	3	3	4	5	6	6	-	1	2	3	3
June male - Bagging	man day	2	2	3	4	4	4	-	1	2	2	2
June female - Bagging	woman day	3	3	4	5	5	5	-	1	2	2	2

Appendix 2 Table 4: Small Grains (with pumpkins) Gross Margin - Financial Budget

Zimbabwe
Smallholder Agriculture Cluster Project
Small Grains (with pumpkin) Crop Model
FINANCIAL BUDGET
(In USD Per ha) /a

	Existing Technology	New Technology					Increments				
	1 to 5	1	2	3	4	5	1	2	3	4	5
Revenue											
Sorghum / pearl millet	78	78	85	107	129	137	-	7	29	51	59
Pumpkin (intercropped)	825	825	928	1,238	1,547	1,650	-	103	413	722	825
Sub-total Revenue	903	903	1,014	1,345	1,676	1,787	-	111	442	773	884
Input costs											
Compound D	35	140	140	140	140	140	105	105	105	105	105
Ammonium nitrate	35	70	70	70	70	70	35	35	35	35	35
Lime	-	72	-	-	72	-	72	-	-	72	-
Herbicide - Glyphosate	-	27	27	27	27	27	27	27	27	27	27
Herbicide - Atrazine	-	12	12	12	12	12	12	12	12	12	12
Herbicide - Alachlor	-	18	18	18	18	18	18	18	18	18	18
Pesticide - Carbaryl	10	10	10	10	10	10	-	-	-	-	-
Pesticide - Trichloform	15	15	15	15	15	15	-	-	-	-	-
Oxen hire - ploughing	80	-	-	-	-	-	-80	-80	-80	-80	-80
Oxen hire - ripping	-	27	27	27	27	27	27	27	27	27	27
Poly bags	10	15	20	25	25	25	5	10	15	15	15
T9 twine	1	1	1	2	2	2	0	0	1	1	1
Sub-total Input costs	186	407	340	346	418	346	221	154	160	232	160
Income (Before Labor Costs)	717	496	674	999	1,259	1,441	-221	-44	282	541	724
Labor costs											
Oct male - Ripping	-	4	4	4	4	4	4	4	4	4	4
Nov male - Ploughing	12	-	-	-	-	-	-12	-12	-12	-12	-12
Dec male - Planting	4	4	4	4	4	4	-	-	-	-	-
Dec female - Planting	4	4	4	4	4	4	-	-	-	-	-
Feb male - Weeding	10	4	4	4	4	4	-6	-6	-6	-6	-6
Feb female - Weeding	20	4	4	4	4	4	-16	-16	-16	-16	-16
Mar male - Weeding	10	4	4	4	4	4	-6	-6	-6	-6	-6
Mar female - Weeding	10	4	4	4	4	4	-6	-6	-6	-6	-6
Apr male - Pesticide app	4	4	4	4	4	4	-	-	-	-	-
Apr male - Bird scaring	12	12	12	12	12	12	-	-	-	-	-
Apr female - Bird scaring	12	12	12	12	12	12	-	-	-	-	-
May male - Harvesting	2	2	2	2	2	2	-	-	-	-	-
May female - Harvesting	2	4	4	4	4	4	2	2	2	2	2
June male - Threshing, winnowing	4	4	6	8	10	10	-	2	4	6	6
June female - Threshing, winnowing	6	6	8	10	12	12	-	2	4	6	6
June male - Bagging	4	4	6	8	8	8	-	2	4	4	4
June female - Bagging	6	6	8	10	10	10	-	2	4	4	4
Sub-total Labor costs	122	82	90	98	102	102	-40	-32	-24	-20	-20
Income (After Labor Costs)	595	414	584	901	1,157	1,339	-181	-12	306	561	744

Appendix 2 Table 5: Groundnuts/Bambara Nut Gross Margin - Yields and Inputs

Zimbabwe
Smallholder Agriculture Cluster Project
Groundnut/Bambara Crop Model
YIELDS AND INPUTS
(Per ha)

	Unit	Existing Technology	New Technology					Increments				
		1 to 5	1	2	3	4	5	1	2	3	4	5
Yields	kg	500	500	563	750	938	1,000	-	63	250	438	500
Operating Inputs												
Groundnut/Bambara seed	bag	90	90	90	90	90	90	-	-	-	-	-
Innoculant	sachet	-	1	1	1	1	1	1	1	1	1	1
Compound D	kg	-	150	150	150	150	150	150	150	150	150	150
Lime	kg	-	600	-	-	600	-	600	-	-	600	-
Herbicide - Glyphosate	ltr	-	3	3	3	3	3	3	3	3	3	3
Herbicide - Metalochlor/Dual	ltr	-	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Herbicide - Bentazon	ltr	-	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Pesticide - Dimethoate	ltr	2.5	2.5	2.5	2.5	2.5	2.5	-	-	-	-	-
Oxen hire - ploughing	lumpsum	80	-	-	-	-	-	-80	-80	-80	-80	-80
Oxen hire - ripping	lumpsum	-	27	27	27	27	27	27	27	27	27	27
Labor												
Oct male - ploughing	man day	6	-	-	-	-	-	-6	-6	-6	-6	-6
Oct male - ripping	man day	-	2	2	2	2	2	2	2	2	2	2
Oct male - planting	man day	2	2	2	2	2	2	-	-	-	-	-
Oct male - fertil. appl.	man day	0.5	2	2	2	2	2	1.5	1.5	1.5	1.5	1.5
Oct female - planting	woman day	2	2	2	2	2	2	-	-	-	-	-
Oct male - weeding	man day	2	-	-	-	-	-	-2	-2	-2	-2	-2
Oct female - planting	woman day	3	-	-	-	-	-	-3	-3	-3	-3	-3
Nov male - weeding	man day	2	-	-	-	-	-	-2	-2	-2	-2	-2
Nov female - weeding	woman day	2	2	2	2	2	2	-	-	-	-	-
Nov male - fert. appl.	man day	-	2	2	2	2	2	2	2	2	2	2
Nov male - pestic. appl.	man day	-	1	1	1	1	1	1	1	1	1	1
Dec male - weeding	man day	2	-	-	-	-	-	-2	-2	-2	-2	-2
Dec female - weeding	woman day	3	2	2	2	2	2	-1	-1	-1	-1	-1
Dec male - pestic. appl.	man day	0.5	1	1	1	1	1	0.5	0.5	0.5	0.5	0.5
Jan male - weeding	man day	2	-	-	-	-	-	-2	-2	-2	-2	-2
Jan male - pestic. appl.	man day	-	1	1	1	1	1	1	1	1	1	1
Jan female - weeding	woman day	3	2	2	2	2	2	-1	-1	-1	-1	-1
Feb male - weeding	man day	2	-	-	-	-	-	-2	-2	-2	-2	-2
Feb male - pestic. appl.	man day	-	1	1	1	1	1	1	1	1	1	1
Feb female - weeding	woman day	3	2	2	2	2	2	-1	-1	-1	-1	-1
Mar male - lifting	man day	7	10	10	10	10	10	3	3	3	3	3
Mar female - lifting	woman day	8	10	10	10	10	10	2	2	2	2	2
Apr male - windrow/curing	man day	2	3	3	3	3	3	1	1	1	1	1
Apr female - windrow/curing	woman day	2	3	3	3	3	3	1	1	1	1	1

Appendix 2 Table 6: Groundnuts/Bambara Nut Gross Margin - Financial Budget

Zimbabwe
Smallholder Agriculture Cluster Project
Groundnut/Bambara Crop Model
FINANCIAL BUDGET
(In USD Per ha)

	Existing Technology	New Technology					Increments				
	1 to 5	1	2	3	4	5	1	2	3	4	5
Revenue	600	600	676	900	1,126	1,200	-	76	300	526	600
Input costs											
Groundnut/Bambara seed	162	162	162	162	162	162	-	-	-	-	-
Innoculant	-	5	5	5	5	5	5	5	5	5	5
Compound D	-	105	105	105	105	105	105	105	105	105	105
Lime	-	72	-	-	72	-	72	-	-	72	-
Herbicide - Glyphosate	-	27	27	27	27	27	27	27	27	27	27
Herbicide - Metolochlor/Dual	-	23	23	23	23	23	23	23	23	23	23
Herbicide - Bentazon	-	23	23	23	23	23	23	23	23	23	23
Pesticide - Dimethoate	25	25	25	25	25	25	-	-	-	-	-
Oxen hire - ploughing	80	-	-	-	-	-	-80	-80	-80	-80	-80
Oxen hire - ripping	-	27	27	27	27	27	27	27	27	27	27
Sub-total Input costs	267	468	396	396	468	396	201	129	129	201	129
Income (Before Labor Costs)	333	132	280	504	658	804	-201	-53	171	325	471
Labor costs											
Oct male - ploughing	12	-	-	-	-	-	-12	-12	-12	-12	-12
Oct male - ripping	-	4	4	4	4	4	4	4	4	4	4
Oct male - planting	4	4	4	4	4	4	-	-	-	-	-
Oct male - fertil. appl.	1	4	4	4	4	4	3	3	3	3	3
Oct female - planting	4	4	4	4	4	4	-	-	-	-	-
Oct male - weeding	4	-	-	-	-	-	-4	-4	-4	-4	-4
Oct female - planting	6	-	-	-	-	-	-6	-6	-6	-6	-6
Nov male - weeding	4	-	-	-	-	-	-4	-4	-4	-4	-4
Nov female - weeding	4	4	4	4	4	4	-	-	-	-	-
Nov male - fert. appl.	-	4	4	4	4	4	4	4	4	4	4
Nov male - pestic. appl.	-	2	2	2	2	2	2	2	2	2	2
Dec male - weeding	4	-	-	-	-	-	-4	-4	-4	-4	-4
Dec female - weeding	6	4	4	4	4	4	-2	-2	-2	-2	-2
Dec male - pestic. appl.	1	2	2	2	2	2	1	1	1	1	1
Jan male - weeding	4	-	-	-	-	-	-4	-4	-4	-4	-4
Jan male - pestic. appl.	-	2	2	2	2	2	2	2	2	2	2
Jan female - weeding	6	4	4	4	4	4	-2	-2	-2	-2	-2
Feb male - weeding	4	-	-	-	-	-	-4	-4	-4	-4	-4
Feb male - pestic. appl.	-	2	2	2	2	2	2	2	2	2	2
Feb female - weeding	6	4	4	4	4	4	-2	-2	-2	-2	-2
Mar male - lifting	14	20	20	20	20	20	6	6	6	6	6
Mar female - lifting	16	20	20	20	20	20	4	4	4	4	4
Apr male - windrow/curing	4	6	6	6	6	6	2	2	2	2	2
Apr female - windrow/curing	4	6	6	6	6	6	2	2	2	2	2
Sub-total Labor costs	108	96	96	96	96	96	-12	-12	-12	-12	-12
Income (After Labor Costs)	225	36	184	408	562	708	-189	-41	183	337	483

Appendix 2 Table 7: Sesame Gross Margin - Yields and Inputs

Zimbabwe
Smallholder Agriculture Cluster Project
Sesame Crop Model
YIELDS AND INPUTS
(Per ha)

Unit	New Technology				
	1	2	3	4	5
Yields					
kg	500	513	550	588	600
By Products					
Sesame - stover					
kg	250	257	275	294	300
Operating Inputs					
Oxen hire - ploughing	lumpsum	80	80	80	80
Oxen hire - ripping	lumpsum	60	60	60	60
Sesame seed	kg	5	5	5	5
Sesame - seed treatment	ml	15	15	15	15
Compound D	kg	60	120	120	120
Ammonium nitrate	kg	25	50	50	50
Pesticide - Lambda-cyhalothrin	ltr	0.4	0.4	0.4	0.4
Pesticide - Dimethoate	ltr	0.5	0.5	0.5	0.5
Poly bags	each	10	10	10	10
T9 twine	cords	2.5	2.5	2.5	2.5
Labor					
Oct male - Ripping	man day	2	2	2	2
Nov male - Ploughing	man day	6	6	6	6
Dec male - Planting	man day	5	5	5	5
Dec female - Planting	woman day	5	5	5	5
Jan female - Weeding	woman day	5	5	5	5
Feb male - Weeding	man day	5	5	5	5
Feb female - Weeding	woman day	5	5	5	5
Mar male - Weeding	man day	5	5	5	5
Mar female - Weeding	woman day	5	5	5	5
Apr male - Pesticide app	man day	2	2	2	2
May male - Harvesting (cutting wind rowing)	man day	5	5	5	5
May female - Harvesting (cutting wind rowing)	woman day	5	5	5	5
June male - Threshing, winnowing, cleaning	man day	2	3	4	5
June female - Threshing, winnowing, cleaning	woman day	3	4	5	6
June female - Threshing, winnowing, cleaning	woman day	3	4	5	6
Jul male - Bagging	man day	1	1	1	1
Jul female - Bagging	woman day	1	1	1	1

Appendix 2 Table 8: Sesame Gross Margin - Financial Budget

Zimbabwe

Smallholder Agriculture Cluster Project

Sesame Crop Model

FINANCIAL BUDGET

(In USD Per ha)

	New Technology				
	1	2	3	4	5
Revenue	600	616	660	706	720
Input costs					
Oxen hire - ploughing	80	80	80	80	80
Oxen hire - ripping	60	60	60	60	60
Sesame seed	11	11	11	11	11
Sesame - seed treatment	7	7	7	7	7
Compound D	42	84	84	84	84
Ammonium nitrate	18	35	35	35	35
Pesticide - Lambda-cyhalothrin	2	2	2	2	2
Pesticide - Dimethoate	5	5	5	5	5
Poly bags	5	5	5	5	5
T9 twine	1	1	1	1	1
Sub-total Input costs	230	289	289	289	289
Income (Before Labor Costs)	370	327	371	417	431
Labor costs					
Oct male - Ripping	4	4	4	4	4
Nov male - Ploughing	12	12	12	12	12
Dec male - Planting	10	10	10	10	10
Dec female - Planting	10	10	10	10	10
Jan female - Weeding	10	10	10	10	10
Feb male - Weeding	10	10	10	10	10
Feb female - Weeding	10	10	10	10	10
Mar male - Weeding	10	10	10	10	10
Mar female - Weeding	10	10	10	10	10
Apr male - Pesticide app	4	4	4	4	4
May male - Harvesting (cutting wind rowing)	10	10	10	10	10
May female - Harvesting (cutting wind rowing)	10	10	10	10	10
June male - Threshing, winnowing, cleaning	4	6	8	10	14
June female - Threshing, winnowing, cleaning	6	8	10	12	16
June female - Threshing, winnowing, cleaning	6	8	10	12	16
Jul male - Bagging	2	2	2	2	2
Jul female - Bagging	2	2	2	2	2
Sub-total Labor costs	130	136	142	148	160
Income (After Labor Costs)	240	191	229	269	271

Appendix 2 Table 9: Tomato Gross Margin - Yields and Inputs

Zimbabwe
Smallholder Agriculture Cluster Project
Tomato Crop Model
YIELDS AND INPUTS
(Per ha)

		New Technology										
		1	2	3	4	5	6	7	8	9	10 to 20	
Yields		kg	10,000	10,247	10,988	12,222	13,951	16,049	17,778	19,012	19,753	20,000
Operating												
Inputs												
Oxen hire - ploughing	lumpsum	80	80	80	80	80	80	80	80	80	80	80
Tomato seed	kg	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Compound C	kg	500	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Calcium nitrate	kg	150	300	300	300	300	300	300	300	300	300	300
Herbicide - Frontier	ltr	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Herbicide - Sencor	ltr	2	2	2	2	2	2	2	2	2	2	2
Pesticide - Dithane M45	kg	4	4	4	4	4	4	4	4	4	4	4
Pesticide - Carbaryl WP	kg	5	5	5	5	5	5	5	5	5	5	5
Pesticide - Copper oxychloride	kg	3	3	3	3	3	3	3	3	3	3	3
Pesticide - Dimethoate	ltr	5	5	5	5	5	5	5	5	5	5	5
Pesticide - Agriwet	ltr	2	2	2	2	2	2	2	2	2	2	2
Pump fuel	ltr	80	80	80	80	80	80	80	80	80	80	80
Water charges	m3	300	300	300	300	300	300	300	300	300	300	300
Boxes	each	350	350	350	350	350	350	350	350	350	350	350
Labor												
Nov male - Row marking	man day	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Nov female - Row marking	woman day	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Nov male - Transplanting	man day	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Nov female - Transplanting	woman day	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Dec v male - Staking & tressling	man day	3	3	3	3	3	3	3	3	3	3	3
Dec female - Staking & tressling	woman day	3	3	3	3	3	3	3	3	3	3	3
Jan male - Fertilizing	man day	1	1	1	1	1	1	1	1	1	1	1
Jan female - Fertilizing	woman day	1	1	1	1	1	1	1	1	1	1	1
Jan male - Spraying	man day	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Jan female - Spraying	woman day	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Jan male - Watering	man day	5	5	5	5	5	5	5	5	5	5	5
Jan female - Watering	woman day	5	5	5	5	5	5	5	5	5	5	5
Feb male - Attaching string to wire	man day	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Feb female - Attaching string to wire	woman day	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Feb male - Weeding	man day	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
eb	woman day	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Mar male - Desuckering and tying	man day	3	3	3	3	3	3	3	3	3	3	3
Feb female - Desuckering and tying	woman day	3	3	3	3	3	3	3	3	3	3	3
Apr male - Packing and grading	man day	2.5	3	4	5	5	5	5	5	5	5	5
Apr female - Packing and grading	woman day	2.5	3	4	5	5	5	5	5	5	5	5

Appendix 2 Table 10: Tomato Gross Margin - Financial Budget

Zimbabwe
Smallholder Agriculture Cluster Project
Tomato Crop Model
FINANCIAL BUDGET
(In USD Per ha)

	New Technology									
	1	2	3	4	5	6	7	8	9	10 to 20
Revenue	4,000	4,099	4,395	4,889	5,580	6,420	7,111	7,605	7,901	8,000
Input costs										
Oxen hire - ploughing	80	80	80	80	80	80	80	80	80	80
Tomato seed	30	30	30	30	30	30	30	30	30	30
Compound C	350	700	700	700	700	700	700	700	700	700
Calcium nitrate	240	480	480	480	480	480	480	480	480	480
Herbicide - Frontier	35	35	35	35	35	35	35	35	35	35
Herbicide - Sencor	30	30	30	30	30	30	30	30	30	30
Pesticide - Dithane M45	8	8	8	8	8	8	8	8	8	8
Pesticide - Carbaryl WP	50	50	50	50	50	50	50	50	50	50
Pesticide - Copper oxychloride	69	69	69	69	69	69	69	69	69	69
Pesticide - Dimethoate	50	50	50	50	50	50	50	50	50	50
Pesticide - Agriwet	10	10	10	10	10	10	10	10	10	10
Pump fuel	96	96	96	96	96	96	96	96	96	96
Water charges	3	3	3	3	3	3	3	3	3	3
Boxes	175	175	175	175	175	175	175	175	175	175
Sub-total Input costs	1,226	1,816	1,816	1,816	1,816	1,816	1,816	1,816	1,816	1,816
Income (Before Labor Costs)	2,775	2,283	2,580	3,073	3,765	4,604	5,296	5,789	6,086	6,185
Labor costs										
Nov male - Row marking	3	3	3	3	3	3	3	3	3	3
Nov female - Row marking	3	3	3	3	3	3	3	3	3	3
Nov male - Transplanting	3	3	3	3	3	3	3	3	3	3
Nov female - Transplanting	3	3	3	3	3	3	3	3	3	3
Dec v male - Staking & tressling	6	6	6	6	6	6	6	6	6	6
Dec female - Staking & tressling	6	6	6	6	6	6	6	6	6	6
Jan male - Fertilizing	2	2	2	2	2	2	2	2	2	2
Jan female - Fertilizing	2	2	2	2	2	2	2	2	2	2
Jan male - Spraying	5	5	5	5	5	5	5	5	5	5
Jan female - Spraying	5	5	5	5	5	5	5	5	5	5
Jan male - Watering	10	10	10	10	10	10	10	10	10	10
Jan female - Watering	10	10	10	10	10	10	10	10	10	10
Feb male - Attaching string to wire	1	1	1	1	1	1	1	1	1	1
Feb female - Attaching string to wire	1	1	1	1	1	1	1	1	1	1
Feb male - Weeding	9	9	9	9	9	9	9	9	9	9
Feb female - Weeding	9	9	9	9	9	9	9	9	9	9
Mar male - Desuckering and tying	6	6	6	6	6	6	6	6	6	6
Feb female - Desuckering and tying	6	6	6	6	6	6	6	6	6	6
Apr male - Packing and grading	5	6	8	10	10	10	10	10	10	10
Apr female - Packing and grading	5	6	8	10	10	10	10	10	10	10
Sub-total Labor costs	100	102	106	110	110	110	110	110	110	110
Income (After Labor Costs)	2,675	2,181	2,474	2,963	3,655	4,494	5,186	5,679	5,976	6,075

Appendix 2 Table 11: Sugar Snap Pea - Yields and Inputs

Zimbabwe
Smallholder Agriculture Cluster Project
Sugar Snap Peas Crop Model
YIELDS AND INPUTS
(Per ha) /a

	Unit	New Technology									
		1	2	3	4	5	6	7	8	9	10 to 20
Yields	kg	3,000	3,099	3,395	3,889	4,580	5,420	6,111	6,605	6,901	7,000
Operating											
Inputs											
Sugar snap seeds	kg	40	40	40	40	40	40	40	40	40	40
Mechanical land preparation	lump sum	44	44	44	44	44	44	44	44	44	44
Mechanical bed making	lump sum	35	35	35	35	35	35	35	35	35	35
Compound D	kg	30	30	30	30	30	30	30	30	30	30
Murate of Potash	kg	125	125	125	125	125	125	125	125	125	125
Ammonium nitrate	kg	350	350	350	350	350	350	350	350	350	350
Lime	kg	500	500	500	500	500	500	500	500	500	500
Calcium nitrate	kg	30	30	30	30	30	30	30	30	30	30
Best Bloom	kg	6	6	6	6	6	6	6	6	6	6
Fungicide - Copper	kg	10	10	10	10	10	10	10	10	10	10
Fungicide - Dithane	kg	5	5	5	5	5	5	5	5	5	5
Fungicide - Ortiva	kg	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Fungicide - Sulphur	kg	16	16	16	16	16	16	16	16	16	16
Fungicide - Rovral	kg	2	2	2	2	2	2	2	2	2	2
Insecticide - Molasses	ltr	30	30	30	30	30	30	30	30	30	30
Insecticide - Karate	kg	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Insecticide - Fastac	kg	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125	0.125
Insecticide - Decis	kg	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Insecticide - Levo	kg	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Insecticide - Teepol	kg	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Insecticide - Tracer (Spinosad)	kg	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45
Herbicide - Metalochlor/Dual	ltr	1	1	1	1	1	1	1	1	1	1
Herbicide - Roundup 3%	ltr	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Field lug hire	each	60	60	60	60	60	60	60	60	60	60
Packhouse lug hire	each	600	600	600	600	600	600	600	600	600	600
Tray rentals	trip	750	750	750	750	750	750	750	750	750	750

Sugar Snap Pea - Yields and Inputs (Cont'd)

Zimbabwe

Smallholder Agriculture Cluster Project

Sugar Snap Peas Crop Model

YIELDS AND INPUTS

(Per ha) /a

		New Technology									
Unit		1	2	3	4	5	6	7	8	9	10 to 20
Labor											
Jan male -	man day	28	28	28	28	28	28	28	28	28	28
Feb male -	man day	28	28	28	28	28	28	28	28	28	28
Mar male -	man day	28	28	28	28	28	28	28	28	28	28
Apr male -	man day	28	28	28	28	28	28	28	28	28	28
May male -	man day	28	28	28	28	28	28	28	28	28	28
Jun male -	man day	28	28	28	28	28	28	28	28	28	28
Jul male -	man day	28	28	28	28	28	28	28	28	28	28
Aug male -	man day	28	28	28	28	28	28	28	28	28	28
Sept male -	man day	28	28	28	28	28	28	28	28	28	28
Oct male -	man day	28	28	28	28	28	28	28	28	28	28
Nov male -	man day	28	28	28	28	28	28	28	28	28	28
Dec male -	man day	28	28	28	28	28	28	28	28	28	28
Jan female -	woman day	28	28	28	28	28	28	28	28	28	28
Feb female -	woman day	28	28	28	28	28	28	28	28	28	28
Mar female -	woman day	28	28	28	28	28	28	28	28	28	28
Apr female -	woman day	28	28	28	28	28	28	28	28	28	28
May female -	woman day	28	28	28	28	28	28	28	28	28	28
Jun female -	woman day	28	28	28	28	28	28	28	28	28	28
Jul female -	woman day	28	28	28	28	28	28	28	28	28	28
Aug female -	woman day	28	28	28	28	28	28	28	28	28	28
Sep female -	woman day	28	28	28	28	28	28	28	28	28	28
Oct female -	woman day	28	28	28	28	28	28	28	28	28	28
Nov female -	woman day	28	28	28	28	28	28	28	28	28	28
Dec female -	woman day	28	28	28	28	28	28	28	28	28	28
Hired labour - Planting	person day	10	10	10	10	10	10	10	10	10	10

Appendix 2 Table 12: Sugar Snap Pea - Financial Budget

Zimbabwe
 Smallholder Agriculture Cluster Project
 Sugar Snap Peas Crop Model
FINANCIAL BUDGET
 (In USD Per ha) /a

	New Technology									
	1	2	3	4	5	6	7	8	9	10 to 20
Revenue	3,900	4,029	4,414	5,056	5,954	7,046	7,944	8,587	8,971	9,100
Input costs										
Sugar snap seeds	440	440	440	440	440	440	440	440	440	440
Mechanical land preparation	44	44	44	44	44	44	44	44	44	44
Mechanical bed making	35	35	35	35	35	35	35	35	35	35
Compound D	21	21	21	21	21	21	21	21	21	21
Murate of Potash	16	16	16	16	16	16	16	16	16	16
Ammonium nitrate	245	245	245	245	245	245	245	245	245	245
Lime	60	60	60	60	60	60	60	60	60	60
Calcium nitrate	48	48	48	48	48	48	48	48	48	48
Best Bloom	36	36	36	36	36	36	36	36	36	36
Fungicide - Copper	91	91	91	91	91	91	91	91	91	91
Fungicide - Dithane	37	37	37	37	37	37	37	37	37	37
Fungicide - Ortiva	92	92	92	92	92	92	92	92	92	92
Fungicide - Sulphur	51	51	51	51	51	51	51	51	51	51
Fungicide - Rovral	54	54	54	54	54	54	54	54	54	54
Insecticide - Molasses	12	12	12	12	12	12	12	12	12	12
Insecticide - Karate	4	4	4	4	4	4	4	4	4	4
Insecticide - Fastac	1	1	1	1	1	1	1	1	1	1
Insecticide - Decis	11	11	11	11	11	11	11	11	11	11
Insecticide - Levo	60	60	60	60	60	60	60	60	60	60
Insecticide - Teepol	2	2	2	2	2	2	2	2	2	2
Insecticide - Tracer (Spinosad)	264	264	264	264	264	264	264	264	264	264
Herbicide - Metalochlor/Dual	15	15	15	15	15	15	15	15	15	15
Herbicide - Roundup 3%	13	13	13	13	13	13	13	13	13	13
Field lug hire	30	30	30	30	30	30	30	30	30	30
Packhouse lug hire	18	18	18	18	18	18	18	18	18	18
Tray rentals	38	38	38	38	38	38	38	38	38	38
Sub-total Input costs	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736	1,736
Income (Before Labor Costs)	2,164	2,292	2,677	3,319	4,218	5,310	6,208	6,850	7,235	7,364

Sugar Snap Pea - Financial Budget (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Sugar Snap Peas Crop Model

FINANCIAL BUDGET

(In USD Per ha) /a

	New Technology									
	1	2	3	4	5	6	7	8	9	10 to 20
Labor costs										
Jan male -	56	56	56	56	56	56	56	56	56	56
Feb male -	56	56	56	56	56	56	56	56	56	56
Mar male -	56	56	56	56	56	56	56	56	56	56
Apr male -	56	56	56	56	56	56	56	56	56	56
May male -	56	56	56	56	56	56	56	56	56	56
Jun male -	56	56	56	56	56	56	56	56	56	56
Jul male -	56	56	56	56	56	56	56	56	56	56
Aug male -	56	56	56	56	56	56	56	56	56	56
Sept male -	56	56	56	56	56	56	56	56	56	56
Oct male -	56	56	56	56	56	56	56	56	56	56
Nov male -	56	56	56	56	56	56	56	56	56	56
Dec male -	56	56	56	56	56	56	56	56	56	56
Jan female -	56	56	56	56	56	56	56	56	56	56
Feb female -	56	56	56	56	56	56	56	56	56	56
Mar female -	56	56	56	56	56	56	56	56	56	56
Apr female -	56	56	56	56	56	56	56	56	56	56
May female -	56	56	56	56	56	56	56	56	56	56
Jun female -	56	56	56	56	56	56	56	56	56	56
Jul female -	56	56	56	56	56	56	56	56	56	56
Aug female -	56	56	56	56	56	56	56	56	56	56
Sep female -	56	56	56	56	56	56	56	56	56	56
Oct female -	56	56	56	56	56	56	56	56	56	56
Nov female -	56	56	56	56	56	56	56	56	56	56
Dec female -	56	56	56	56	56	56	56	56	56	56
Hired labour - Planting	30	30	30	30	30	30	30	30	30	30
Sub-total Labor costs	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374	1,374
Income (After Labor Costs)	790	918	1,303	1,945	2,844	3,936	4,834	5,476	5,861	5,990

Appendix 2 Table 13: Goat Model – Herd Projection

PRODUCTION PARAMETERS			WITHOUT PROJECT	WITH PROJECT									
ITEMS	UNIT		1	1	2	3	4	5	6	7	8	9	10
Production parameters													
Age at first kidding/maturity	months		15	10	10	10	10	10	10	10	10	10	10
Kidding interval	months		10	8	8	8	8	8	8	8	8	8	8
Kidding percentage (fertility rate)	%		70%	70%	75%	75%	80%	80%	85%	85%	85%	90%	90%
Twinning percentage	%		30%	35%	40%	40%	45%	45%	50%	50%	50%	50%	50%
Number of kiddings per year	times		1.2	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Mortality of adults	%		5%	4%	4%	4%	3%	3%	3%	3%	3%	3%	3%
Mortality of male kids	%		15%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Mortality of female kids	%		15%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Off-take rate females <1yr	%		30%	30%	30%	30%	30%	30%	30%	30%	30%	30%	30%
Off-take rate females >1yr	%		20%	10%	10%	20%	20%	25%	25%	25%	25%	25%	25%
Off-take rate males <1yr	%		60%	85%	85%	85%	85%	85%	85%	90%	90%	90%	90%
Off-take rate males >1yr	%		60%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Body weight of male	kg LW		40	45	45	50	50	55	55	60	65	65	65
Body weight of female	kg LW		35	40	45	50	50	55	55	55	55	55	55
Body weight of kid	kg LW		20	25	25	25	25	25	25	25	25	25	25
Sex ratio (% of does)	ratio		0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Culling of does from 2nd years+	%		20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Fiber production per goat	kg		2	3	3	3	3	3	3	3	3	3	3
Skin production per goat	kg		4	5	5	5	5	5	6	6	6	7	6
Stock growth model													
F7-8yrs	head		0	0	0	0	0	0	0	0	0	0	0
F6-7yrs	head		0	0	0	0	0	0	1	0	0	0	0
F5-6yrs	head		0	0	0	1	0	1	0	0	0	1	1
F4-5yrs	head		0	0	1	1	1	0	1	1	1	1	1
F 3-4yrs	head		0	1	1	1	0	1	1	1	1	2	2
F 2-3yrs	head		1	1	1	1	1	1	1	2	2	3	3
F 1-2yrs	head		1	2	1	1	2	2	3	3	4	4	5
Kid 0-1yr	head		6	2	4	5	7	8	10	12	14	17	21
M1-2yrs	head		1	1	0	0	0	0	0	0	0	0	0
M2-3yrs	head		1	0	-0	-0	-0	-0	-0	-0	-0	0	0
M3-4yrs	head		0	0	-0	0	0	0	0	0	0	0	0
M4-5yrs	head		0	0	-0	0	-0	-0	-0	-0	-0	-0	-0
M5-6yrs	head		0	0	0	0	-0	0	0	0	0	0	0
M6-7yrs	head		0	0	0	0	-0	0	-0	-0	-0	-0	-0
M7-8yrs	head		0	0	0	0	0	0	-0	0	0	0	0
Number of does			2	3	3	4	5	6	6	7	9	10	12
Number of bucks			2	1	-0	0	0	0	0	0	-0	0	-0
Total stock			10	7	8	10	12	14	17	20	23	27	34
YIELDS AND INPUTS			WITHOUT PROJE	WITH PROJECT									
ITEMS	UNIT	PRICE	1	1	2	3	4	5	6	7	8	9	10
Main production output (yields)													
Animal sales - female	head		0	0	0	1	1	1	2	2	2	3	3
Animal sales - male	head		1	1	-0	0	0	0	0	0	-0	0	-0
Animal sales - kids	head		3	1	3	3	4	5	6	7	8	10	13
Animal sales - total	head		4	3	3	4	5	6	8	9	11	13	16
Sale weights													
Animal sales - female	kg LW		14	13	15	42	48	78	88	102	120	144	170
Animal sales - male	kg LW		48	65	-0	6	6	9	11	15	-0	0	-0
Animal sales - kids	kg LW		54	31	64	76	96	120	143	183	212	250	317
Animal sales - total	kg LW		116	109	79	124	150	208	242	299	332	394	487
Feed requirements													
Does weight	kg LW		70	126	151	212	240	314	351	407	480	574	680
Kids weight	kg LW		120	55	112	132	167	209	248	305	354	417	528
Bucks weight	kg LW		80	65	-0	6	6	9	11	15	-0	0	-0
Total weight	kg LW		270	246	263	350	413	532	610	727	833	991	1,209
Daily DM requirement at % DM/kg LW	kg	2.5%	7	6	7	9	10	13	15	18	21	25	30
Annual requirement	kg		2,464	2,240	2,400	3,190	3,770	4,850	5,570	6,630	7,600	9,040	11,030
Conversion to maize grain equiv. fac	kg	2.5	990	900	960	1,280	1,510	1,940	2,230	2,650	3,040	3,620	4,410

Appendix 2 Table 14: Goat Model – Production and Inputs

Zimbabwe

Smallholder Agriculture Cluster Project

Goat Activity Model

YIELDS AND INPUTS

Goat Activity Model

YIELDS AND INPUTS

Unit	Existing Technology		New Technology						Increments					
	1 to 10	1	2	3	4	5	10	1	2	3	4	5	10	
Main Production														
Goat liveweight	kg LW	116	109	79	124	150	208	487	-7	-37	8	34	92	371
Goat manure	kg	1,000	1,000	1,200	1,500	1,800	2,200	5,200	-	200	500	800	1,200	4,200
Operating Inputs														
Goat vaccines and treatments	per head	10	7	8	10	12	14	34	-3	-2	-	2	4	24
Feed supplements - goats	per head	10	7	8	10	12	14	34	-3	-2	-	2	4	24
Livestock feed requirement	kg	990	900	960	1,280	1,510	1,940	4,410	-90	-30	290	520	950	3,420
Labor														
Jan male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Feb male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Mar male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Apr male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
May male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Jun male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Jul male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Aug male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Sep male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Oct male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Nov male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Dec male - flock management	man day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Jan female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Feb female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Mar female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Apr female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
May female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Jun female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Jul female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Aug female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Sep female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Oct female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Nov female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7
Dec female - flock management	woman day	1	2	2.1	2.6	3.3	4.4	8	1	1.1	1.6	2.3	3.4	7

Appendix 2 Table 15: Goat Model - Financial Budget

Zimbabwe
Smallholder Agriculture Cluster Project
Goat Activity Model
FINANCIAL BUDGET
(In USD)

	Existing Technology	New Technology						Increments					
	1 to 10	1	2	3	4	5	10	1	2	3	4	5	10
Revenue													
Goat liveweight	96	90	66	103	125	173	404	-6	-31	7	28	76	308
Goat manure	100	100	120	150	180	220	520	-	20	50	80	120	420
Sub-total Revenue	196	190	186	253	305	393	924	-6	-11	57	108	196	728
Input costs													
Goat vaccines and treatments	10	7	8	10	12	14	34	-3	-2	-	2	4	24
Feed supplements - goats	10	7	8	10	12	14	34	-3	-2	-	2	4	24
Livestock feed requirement	386	351	374	499	589	757	1,720	-35	-12	113	203	371	1,334
Sub-total Input costs	406	365	390	519	613	785	1,788	-41	-16	113	207	379	1,382
Income (Before Labor Costs)	-210	-175	-205	-266	-308	-392	-864	35	5	-56	-99	-182	-654
Labor costs													
Jan male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Feb male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Mar male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Apr male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
May male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Jun male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Jul male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Aug male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Sep male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Oct male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Nov male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Dec male - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Jan female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Feb female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Mar female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Apr female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
May female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Jun female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Jul female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Aug female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Sep female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Oct female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Nov female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Dec female - flock management	2	4	4	5	7	9	16	2	2	3	5	7	14
Sub-total Labor costs	48	96	101	125	158	211	384	48	53	77	110	163	336
Income (After Labor Costs)	-258	-271	-306	-391	-467	-603	-1,248	-13	-48	-133	-209	-345	-990

Appendix 2 Table 16: Layer Model – Production and Inputs

Zimbabwe

Smallholder Agriculture Cluster Project

Poultry Layer Activity Model

YIELDS AND INPUTS

Unit	New Technology					Increments				
	1	2	3	4	5	1	2	3	4	5
Main Production										
Eggs	each	2,250	3,750	7,500	10,000	10,000	2,250	3,750	7,500	10,000
Poultry manure	kg	360	600	1,200	1,600	1,600	360	600	1,200	1,600
Investment										
Hens (Point of lay) - initial	each	40	-	-	-	-	40	-	-	-
Hens (Point of lay) - replacement	each	-	1	2	3	4	-	1	2	3
Layer house and run	lump sum	100	-	-	-	-	100	-	-	-
Operating Inputs										
Poultry vaccines and treatments	per bird	40	40	40	40	40	40	40	40	40
Layer feed	kg	329	548	1,095	1,460	1,460	329	548	1,095	1,460
Labor										
Jan male - flock management	man day	4	4	4	4	4	4	4	4	4
Feb male - flock management	man day	4	4	4	4	4	4	4	4	4
Mar male - flock management	man day	4	4	4	4	4	4	4	4	4
Apr male - flock management	man day	4	4	4	4	4	4	4	4	4
May male - flock management	man day	4	4	4	4	4	4	4	4	4
Jun male - flock management	man day	4	4	4	4	4	4	4	4	4
Jul male - flock management	man day	4	4	4	4	4	4	4	4	4
Aug male - flock management	man day	4	4	4	4	4	4	4	4	4
Sep male - flock management	man day	4	4	4	4	4	4	4	4	4
Oct male - flock management	man day	4	4	4	4	4	4	4	4	4
Nov male - flock management	man day	4	4	4	4	4	4	4	4	4
Dec male - flock management	man day	4	4	4	4	4	4	4	4	4
Jan female - flock management	woman day	4	4	4	4	4	4	4	4	4
Feb female - flock management	woman day	4	4	4	4	4	4	4	4	4
Mar female - flock management	woman day	4	4	4	4	4	4	4	4	4
Apr female - flock management	woman day	4	4	4	4	4	4	4	4	4
May female - flock management	woman day	4	4	4	4	4	4	4	4	4
Jun female - flock management	woman day	4	4	4	4	4	4	4	4	4
Jul female - flock management	woman day	4	4	4	4	4	4	4	4	4
Aug female - flock management	woman day	4	4	4	4	4	4	4	4	4
Sep female - flock management	woman day	8	8	8	8	8	8	8	8	8
Oct female - flock management	woman day	4	4	4	4	4	4	4	4	4
Nov female - flock management	woman day	4	4	4	4	4	4	4	4	4
Dec female - flock management	woman day	4	4	4	4	4	4	4	4	4

Appendix 2 Table 17: Layer Model - Financial Budget

Zimbabwe
Smallholder Agriculture Cluster Project
Poultry Layer Activity Model
FINANCIAL BUDGET
(In USD)

	New Technology					Increments				
	1	2	3	4	5	1	2	3	4	5
Revenue	225	375	750	1,000	1,000	225	375	750	1,000	1,000
Input costs										
Investment costs										
Hens (Point of lay) - initial	400	-	-	-	-	400	-	-	-	-
Hens (Point of lay) - replacement	-	10	20	30	40	-	10	20	30	40
Layer house and run	100	-	-	-	-	100	-	-	-	-
Sub-total Investment Costs	500	10	20	30	40	500	10	20	30	40
Operating Costs										
Poultry vaccines and treatments	20	20	20	20	20	20	20	20	20	20
Layer feed	138	230	460	613	613	138	230	460	613	613
Sub-total Operating Costs	158	250	480	633	633	158	250	480	633	633
Sub-total Input costs	658	260	500	663	673	658	260	500	663	673
Income (Before Labor Costs)	-433	115	250	337	327	-433	115	250	337	327
Labor costs										
Jan male - flock management	8	8	8	8	8	8	8	8	8	8
Feb male - flock management	8	8	8	8	8	8	8	8	8	8
Mar male - flock management	8	8	8	8	8	8	8	8	8	8
Apr male - flock management	8	8	8	8	8	8	8	8	8	8
May male - flock management	8	8	8	8	8	8	8	8	8	8
Jun male - flock management	8	8	8	8	8	8	8	8	8	8
Jul male - flock management	8	8	8	8	8	8	8	8	8	8
Aug male - flock management	8	8	8	8	8	8	8	8	8	8
Sep male - flock management	8	8	8	8	8	8	8	8	8	8
Oct male - flock management	8	8	8	8	8	8	8	8	8	8
Nov male - flock management	8	8	8	8	8	8	8	8	8	8
Dec male - flock management	8	8	8	8	8	8	8	8	8	8
Jan female - flock management	8	8	8	8	8	8	8	8	8	8
Feb female - flock management	8	8	8	8	8	8	8	8	8	8
Mar female - flock management	8	8	8	8	8	8	8	8	8	8
Apr female - flock management	8	8	8	8	8	8	8	8	8	8
May female - flock management	8	8	8	8	8	8	8	8	8	8
Jun female - flock management	8	8	8	8	8	8	8	8	8	8
Jul female - flock management	8	8	8	8	8	8	8	8	8	8
Aug female - flock management	8	8	8	8	8	8	8	8	8	8
Sep female - flock management	16	16	16	16	16	16	16	16	16	16
Oct female - flock management	8	8	8	8	8	8	8	8	8	8
Nov female - flock management	8	8	8	8	8	8	8	8	8	8
Dec female - flock management	8	8	8	8	8	8	8	8	8	8
Sub-total Labor costs	200	200	200	200	200	200	200	200	200	200
Income (After Labor Costs)	-633	-85	50	137	127	-633	-85	50	137	127

V. APPENDIX 3 – ILLUSTRATIVE FARM MODELS

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Notes on Appendix 3 Tables

1. All modelling is undertaken over a 20-year projection period.
2. For the presentational simplicity only the first 10 years of the Farm Model Without and With Project projections are displayed.
3. All Appendix 3 tables are available in the project file in Excel format.

Appendix 3 Table 1: Small grains - Goat Farm Model – Detailed Production & Inputs

Zimbabwe

Smallholder Agriculture Cluster Project

Small Grains / Goat Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

PRODUCTION AND INPUTS (Detailed)		Without Project											
		With Project											
(In Units) /a	Unit	1 to 10	1	2	3	4	5	6	7	8	9	10	
Main Production													
Maize - OPV	kg	500	-	-	-	-	-	-	-	-	-	-	
Maize - Hybrid	kg	-	375	422	563	703	750	750	750	750	750	750	
Sorghum / pearl millet	kg	150	150	164	206	248	263	263	263	263	263	263	
Cowpea (intercropped)	kg	50	25	30	44	58	63	63	63	63	63	63	
Groundnut / Bambarra nut	kg	125	125	141	188	235	250	250	250	250	250	250	
Pumpkin (intercropped)	kg	1,875	1,875	2,110	2,813	3,516	3,750	3,750	3,750	3,750	3,750	3,750	
Goat liveweight	kg LW	116	109	79	124	150	208	242	299	332	394	487	
Goat manure	kg	1,000	1,000	1,200	1,500	1,800	2,200	2,600	3,000	3,500	4,200	5,200	
Forage legume - dryland	kg	-	1,000	1,063	1,250	1,438	1,500	1,500	1,500	1,500	1,500	1,500	
Communal grazing	kg DM	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	
By Products													
Maize stover - OPV	kg	250	-	-	-	-	-	-	-	-	-	-	
Maize stover - hybrid	kg	-	188	211	281	352	375	375	375	375	375	375	
Small grains stover	kg	375	563	750	938	938	938	938	938	938	938	938	
On-Farm Use													
Maize - Hybrid	kg	-	-	-	-	-	-	-	-	-	-	85	
Maize stover - OPV	kg	250	-	-	-	-	-	-	-	-	-	-	
Maize stover - hybrid	kg	-	188	211	281	352	375	375	375	375	375	375	
Sorghum / pearl millet	kg	8	8	8	8	8	8	8	8	8	8	8	
Small grains stover	kg	375	563	750	938	938	938	938	938	938	938	938	
Cowpea (intercropped)	kg	5	-	-	-	-	-	-	-	-	-	-	
Groundnut / Bambarra nut	kg	23	23	23	23	23	23	23	23	23	23	23	
Forage legume - dryland	kg	-	0	0	0	0	0	0	0	0	0	1,500	
Communal grazing	kg DM	1,850	1,500	1,439	1,981	2,486	3,538	4,263	5,313	6,288	7,738	8,000	
On-Farm Consumption													
Maize - OPV	kg	98	-	-	-	-	-	-	-	-	-	-	
Maize - Hybrid	kg	-	115	115	115	115	115	115	115	115	115	115	
Sorghum / pearl millet	kg	98	115	115	115	115	115	115	115	115	115	115	
Cowpea (intercropped)	kg	14	110	110	110	110	110	110	110	110	110	110	
Groundnut / Bambarra nut	kg	3	20	20	20	20	20	20	20	20	20	20	
Pumpkin (intercropped)	kg	33	33	180	328	328	328	328	328	328	328	328	
Citrus	kg	126	126	288	450	450	450	450	450	450	450	450	
Green leafy vegetables	kg	469	469	565	660	660	660	660	660	660	660	660	

Small grains - Goat Farm Model - Production & Inputs (Continued)

Zimbabwe
Smallholder Agriculture Cluster Project
Small Grains / Goat Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

Unit	Without Project	With Project									
	1 to 10	1	2	3	4	5	6	7	8	9	10
Sales											
Maize - OPV	kg	402	-	-	-	-	-	-	-	-	-
Maize - Hybrid	kg	-	260	307	448	588	635	635	635	635	550
Sorghum / pearl millet	kg	45	28	42	84	126	140	140	140	140	140
Cowpea (intercropped)	kg	31	-	-	-	-	-	-	-	-	-
Groundnut / Bambarra nut	kg	100	83	98	145	192	208	208	208	208	208
Pumpkin (intercropped)	kg	1,842	1,842	1,930	2,485	3,188	3,422	3,422	3,422	3,422	3,422
Goat liveweight	kg LW	116	109	79	124	150	208	242	299	332	487
Goat manure	kg	1,000	1,000	1,200	1,500	1,800	2,200	2,600	3,000	3,500	5,200
Forage legume - dryland	kg	-	1,000	1,063	1,250	1,438	1,500	1,500	1,500	1,500	-
Communal grazing	kg DM	6,150	6,500	6,561	6,019	5,514	4,463	3,738	2,688	1,713	263
Purchased Consumption											
Cowpea (intercropped)	kg	-	85	80	66	52	48	48	48	48	48
Citrus	kg	126	126	288	450	450	450	450	450	450	450
Green leafy vegetables	kg	469	469	565	660	660	660	660	660	660	660
Investment											
SACP MG: Household contribution	lump sum	-	104	-	-	-	-	-	-	-	-
Investment package	lump sum	-	700	-	-	-	-	-	-	-	-
Operating											
Purchased Inputs											
Maize seed - traditional	kg	13	-	-	-	-	-	-	-	-	-
Maize seed - hybrid	kg	-	6	6	6	6	6	6	6	6	6
Pumpkin seed	kg	4	4	4	4	4	4	4	4	4	4
Cowpea seed	kg	-	3	3	3	3	3	3	3	3	3
Forage legume seed	kg	-	2	2	2	2	2	2	2	2	2
Inoculant (forage legume)	sachet	-	0	0	0	0	0	0	0	0	0
Compound D	kg	88	275	280	294	308	313	313	313	313	313
Ammonium nitrate	kg	88	125	130	144	158	163	163	163	163	163
Lime	kg	-	875	125	125	875	125	125	800	125	800
Herbicide - Glyphosate	ltr	-	4	4	4	4	4	4	4	4	4
Herbicide - Atrazine	ltr	-	2	2	2	2	2	2	2	2	2
Herbicide - Metalochlor/Dual	ltr	-	1	1	1	1	1	1	1	1	1
Herbicide - Alachlor	ltr	-	1	1	1	1	1	1	1	1	1
Herbicide - Bentazon	ltr	-	0	0	0	0	0	0	0	0	0

Small grains - Goat Farm Model - Production & Inputs (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Small Grains / Goat Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

Unit		Without Project	With Project									
		1 to 10	1	2	3	4	5	6	7	8	9	10
Pesticide - Dipterex/Carbaryl	kg	3	1	1	1	1	1	1	1	1	1	1
Pesticide - Carbaryl	kg	1	1	1	1	1	1	1	1	1	1	1
Pesticide - Thionex/Thiodan	kg	0	0	0	0	0	0	0	0	0	0	0
Pesticide - Trichloform	kg	2	2	2	2	2	2	2	2	2	2	2
Pesticide - Dimethoate	ltr	1	1	1	1	1	1	1	1	1	1	1
Oxen hire - ploughing	lumpsum	120	20	20	20	20	20	20	20	20	20	20
Oxen hire - ripping	lumpsum	-	34	34	34	34	34	34	34	34	34	34
Innoculant	sachet	-	0	0	0	0	0	0	0	0	0	0
Poly bags	each	25	33	45	58	63	63	63	63	63	63	63
T9 twine	cords	3	4	5	6	7	7	7	7	7	7	7
Goat vaccines and treatments	per head	10	7	8	10	12	14	17	20	23	27	34
Feed supplements - goats	per head	10	7	8	10	12	14	17	20	23	27	34
Annual mainten. / replac. / marketing	lump sum	-	-	50	100	150	150	150	150	150	150	150
Labor												
Jan female -	woman day	7	5	5	5	6	7	8	9	10	11	11
Feb female -	woman day	14	4	4	5	5	6	8	9	9	10	10
Mar female -	woman day	9	6	6	7	7	8	10	11	11	12	12
Apr female -	woman day	6	9	9	9	10	11	12	13	14	14	15
May female -	woman day	2	5	5	6	7	8	9	10	11	11	11
Jun female -	woman day	7	7	9	11	13	14	15	16	17	18	18
Jul female -	woman day	1	2	2	3	3	4	6	7	7	8	8
Aug female -	woman day	1	2	2	3	3	4	6	7	7	8	8
Sep female -	woman day	1	3	3	4	5	6	7	8	9	9	9
Oct female -	woman day	2	3	3	3	4	5	6	7	8	8	9
Nov female -	woman day	2	3	3	4	5	6	7	8	9	9	9
Dec female -	woman day	4	5	5	5	6	7	8	9	10	10	11
Jan male -	man day	7	4	4	5	6	7	8	9	10	10	10
Feb male -	man day	10	4	4	4	5	6	7	8	9	10	10
Mar male -	man day	9	6	6	7	7	8	10	11	11	12	12
Apr male -	man day	9	11	11	11	12	13	14	15	16	16	17
May male -	man day	2	4	4	5	6	7	8	9	10	10	10
Jun male -	man day	5	6	7	10	11	12	14	15	15	16	16
Jul male -	man day	1	2	2	3	3	4	6	7	7	8	8
Aug male -	man day	1	2	2	3	3	4	6	7	7	8	8
Sept male -	man day	1	3	3	4	5	6	7	8	9	9	9
Oct male -	man day	4	6	6	6	7	8	9	10	11	11	12
Nov male -	man day	9	4	4	4	5	6	7	8	9	9	10
Dec male -	man day	4	4	4	5	6	7	8	9	10	10	10

Appendix 3 Table 2: Small grains - Goat Farm Model – Aggregated Financial Budget

Zimbabwe

Smallholder Agriculture Cluster Project

Small Grains / Goat Farm Household Model

FINANCIAL BUDGET (AGGREGATED)

(In USD) /a

	Without Project	With Project									
	1 to 10	1	2	3	4	5	6	7	8	9	10
Main Production											
Field crops	422	349	391	518	645	687	687	687	687	687	687
Food crops	619	619	696	928	1,160	1,238	1,238	1,238	1,238	1,238	1,238
Livestock products	196	190	186	253	305	393	461	548	626	747	924
Fodder & forage crops	1	251	266	313	360	376	376	376	376	376	376
Sub-total Main Production	1,237	1,409	1,540	2,012	2,470	2,693	2,762	2,849	2,926	3,048	3,225
On-Farm Use											
Field crops	32	30	30	30	30	30	30	30	30	30	60
Fodder & forage crops	0	0	0	0	0	0	0	1	1	1	376
Sub-Total On-Farm Use	32	30	30	30	30	30	30	30	31	31	435
On-Farm Consumption											
Field crops	85	149	149	149	149	149	149	149	149	149	149
Food crops	308	308	486	663	663	663	663	663	663	663	663
Sub-Total On-Farm Consumption	393	457	635	812	812	812	812	812	812	812	812
Net Value Of Production	812	922	875	1,170	1,628	1,851	1,919	2,006	2,084	2,205	1,977
Purchased Consumption											
Field crops	-	31	29	24	19	17	17	17	17	17	17
Food crops	298	298	427	555	555	555	555	555	555	555	555
Sub-Total Purchased Consumption	298	328	455	579	574	572	572	572	572	572	572
INFLOWS	514	594	420	591	1,054	1,279	1,347	1,434	1,512	1,633	1,405
Production Cost											
Investment											
Investments	-	804	-	-	-	-	-	-	-	-	-
Operating											
Purchased Inputs											
Planting materials	-	26	26	26	26	26	26	26	26	26	26
Agrochemicals	173	501	418	437	547	464	464	545	464	464	545
Other inputs	168	104	170	238	298	302	308	314	320	328	342
Sub-Total Purchased Inputs	327	613	589	669	835	756	762	849	774	782	877

Small grains - Goat Farm Model - Aggregated Financial Budget (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Small Grains / Goat Farm Household Model

FINANCIAL BUDGET (AGGREGATED)

(In USD) /a

	Without Project	With Project									
	1 to 10	1	2	3	4	5	6	7	8	9	10
Labor											
Female labor	113	107	112	128	147	173	202	228	245	257	260
Male labor	123	110	115	131	150	176	205	231	248	260	263
Sub-Total Hired Labor	236	216	228	259	296	349	407	460	493	517	522
Sub-total Operating Costs	562	829	816	928	1,132	1,105	1,169	1,308	1,267	1,299	1,399
Sub-Total Production Cost	562	1,633	816	928	1,132	1,105	1,169	1,308	1,267	1,299	1,399
OUTFLOWS	562	1,633	816	928	1,132	1,105	1,169	1,308	1,267	1,299	1,399
Cash Flow Before Financing	-48	-1,040	-397	-336	-77	174	178	126	245	334	7
Farm Family Benefits Before Financing	346	-583	238	476	735	986	990	938	1,057	1,146	818
Net Financing	-	817	-111	-204	27	-64	-140	41	-32	-100	81
Cash Flow After Financing	-48	-223	-508	-540	-51	110	39	167	213	234	88
Change in Net Worth											
Contribution from own savings	-	1,071	-	-	-	-	-	-	-	-	-
Residual value of											
Transfer to Next Period	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Change in Net Worth	-	-1,071	-	-	-	-	-	-	-	-	-
Farm Family Benefits After Financing	346	-837	126	272	761	922	851	979	1,025	1,046	899

IRR = 24.7%, NPV = 2,144.65

/a Natural Regions: IV and V

Appendix 3 Table 3: Maize - Horticulture Farm Model – Detailed Production & Inputs

Zimbabwe

Smallholder Agriculture Cluster Project

Maize / Horticulture Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

	Unit	1 to 10	1	2	3	4	5	6	7	8	9	10
Main Production												
Maize - OPV	kg	750	-	-	-	-	-	-	-	-	-	-
Maize - Hybrid	kg	-	1,125	1,266	1,688	2,110	2,250	2,250	2,250	2,250	2,250	2,250
Sorghum / pearl millet	kg	100	-	-	-	-	-	-	-	-	-	-
Cowpea (intercropped)	kg	75	75	89	131	173	188	188	188	188	188	188
Groundnut / Bambarra nut	kg	125	125	141	188	235	250	250	250	250	250	250
Pumpkin (intercropped)	kg	1,250	-	-	-	-	-	-	-	-	-	-
Tomatoes	kg	-	2,500	2,512	2,550	2,611	2,698	2,803	2,889	2,951	2,988	3,000
Sugar snap peas	kg	-	950	950	951	953	955	957	960	964	968	973
By Products												
Maize stover - OPV	kg	375	-	-	-	-	-	-	-	-	-	-
Maize stover - hybrid	kg	-	563	633	844	1,055	1,125	1,125	1,125	1,125	1,125	1,125
Small grains stover	kg	250	-	-	-	-	-	-	-	-	-	-
On-Farm Use												
Sorghum / pearl millet	kg	2	-	-	-	-	-	-	-	-	-	-
Cowpea (intercropped)	kg	8	8	-	8	8	8	8	8	8	8	8
Groundnut / Bambarra nut	kg	23	23	23	23	23	23	23	23	23	23	23
On-Farm Consumption												
Maize - OPV	kg	98	-	-	-	-	-	-	-	-	-	-
Maize - Hybrid	kg	-	98	115	115	115	115	115	115	115	115	115
Sorghum / pearl millet	kg	98	98	115	115	115	115	115	115	115	115	115
Cowpea (intercropped)	kg	14	60	110	110	110	110	110	110	110	110	110
Groundnut / Bambarra nut	kg	3	10	20	20	20	20	20	20	20	20	20
Pumpkin (intercropped)	kg	33	160	328	328	328	328	328	328	328	328	328
Citrus	kg	126	126	450	450	450	450	450	450	450	450	450
Green leafy vegetables	kg	469	469	660	660	660	660	660	660	660	660	660
Sales												
Maize - OPV	kg	652	-	-	-	-	-	-	-	-	-	-
Maize - Hybrid	kg	-	1,027	1,151	1,573	1,995	2,135	2,135	2,135	2,135	2,135	2,135
Maize stover - OPV	kg	375	-	-	-	-	-	-	-	-	-	-
Maize stover - hybrid	kg	-	563	633	844	1,055	1,125	1,125	1,125	1,125	1,125	1,125
Small grains stover	kg	250	-	-	-	-	-	-	-	-	-	-

Maize - Horticulture Farm Model - Production & Inputs (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Maize / Horticulture Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

	Unit	Without Project	With Project									
		1 to 10	1	2	3	4	5	6	7	8	9	10
Cowpea (intercropped)	kg	54	8	-	14	56	70	70	70	70	70	70
Groundnut / Bambarra nut	kg	100	93	98	145	192	208	208	208	208	208	208
Pumpkin (intercropped)	kg	1,217	-	-	-	-	-	-	-	-	-	-
Tomatoes	kg	-	2,500	2,512	2,550	2,611	2,698	2,803	2,889	2,951	2,988	3,000
Sugar snap peas	kg	-	950	950	951	953	955	957	960	964	968	973
Purchased Consumption												
Sorghum / pearl millet	kg	-	98	115	115	115	115	115	115	115	115	115
Cowpea (intercropped)	kg	-	-	21	-	-	-	-	-	-	-	-
Pumpkin (intercropped)	kg	-	160	328	328	328	328	328	328	328	328	328
Citrus	kg	126	126	450	450	450	450	450	450	450	450	450
Green leafy vegetables	kg	469	469	660	660	660	660	660	660	660	660	660
Investment												
SACP MG: Household contribution	lump sum	-	90	-	-	-	-	-	-	-	-	-
Investment package	lump sum	-	1,000	-	-	-	-	-	-	-	-	-
Investment replacements	lump sum	-	-	-	-	-	-	-	500	-	-	-
Operating												
Purchased Inputs												
Maize seed - traditional	kg	19	-	-	-	-	-	-	-	-	-	-
Maize seed - hybrid	kg	-	19	19	19	19	19	19	19	19	19	19
Small grain seed	kg	3	-	-	-	-	-	-	-	-	-	-
Pumpkin seed	kg	3	-	-	-	-	-	-	-	-	-	-
Cowpea seed	kg	-	-	8	-	-	-	-	-	-	-	-
Tomato seed	kg	-	0	0	0	0	0	0	0	0	0	0
Sugar snap seeds	kg	-	10	10	10	10	10	10	10	10	10	10
Compound D	kg	100	120	134	176	218	233	233	233	233	233	233
Ammonium nitrate	kg	100	163	177	219	261	275	275	275	275	275	275
Lime	kg	-	725	125	125	725	125	125	725	125	125	725
Compound C	kg	-	125	250	250	250	250	250	250	250	250	250
Calcium nitrate	kg	-	45	83	83	83	83	83	83	83	83	83
Murate of Potash	kg	-	31	31	31	31	31	31	31	31	31	31
Best Bloom	kg	-	2	2	2	2	2	2	2	2	2	2
Herbicide - Glyphosate	ltr	-	3	3	3	3	3	3	3	3	3	3

Maize - Horticulture Farm Model - Production & Inputs (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Maize / Horticulture Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

Unit		Without Project	With Project									
		1 to 10	1	2	3	4	5	6	7	8	9	10
Herbicide - Atrazine	ltr	-	2	2	2	2	2	2	2	2	2	2
Herbicide - Metalochlor/Dual	ltr	-	2	2	2	2	2	2	2	2	2	2
Herbicide - Bentazon	ltr	-	0	0	0	0	0	0	0	0	0	0
Herbicide - Frontier	ltr	-	0	0	0	0	0	0	0	0	0	0
Herbicide - Sencor	ltr	-	0	1	1	1	1	1	1	1	1	1
Herbicide - Roundup 3%	ltr	-	0	0	0	0	0	0	0	0	0	0
Pesticide - Dipterex/Carbaryl	kg	4	4	4	4	4	4	4	4	4	4	4
Pesticide - Carbaryl	kg	1	-	-	-	-	-	-	-	-	-	-
Pesticide - Thionex/Thiodan	kg	0	0	0	0	0	0	0	0	0	0	0
Pesticide - Trichloform	kg	2	-	-	-	-	-	-	-	-	-	-
Pesticide - Dimethoate	ltr	1	1	2	2	2	2	2	2	2	2	2
Pesticide - Dithane M45	kg	-	1	1	1	1	1	1	1	1	1	1
Pesticide - Carbaryl WP	kg	-	1	1	1	1	1	1	1	1	1	1
Pesticide - Copper oxychloride	kg	-	0	1	1	1	1	1	1	1	1	1
Pesticide - Agriwet	ltr	-	0	1	1	1	1	1	1	1	1	1
Insecticide - Molasses	ltr	-	8	8	8	8	8	8	8	8	8	8
Insecticide - Karate	kg	-	0	0	0	0	0	0	0	0	0	0
Insecticide - Fastac	kg	-	0	0	0	0	0	0	0	0	0	0
Insecticide - Decis	kg	-	0	0	0	0	0	0	0	0	0	0
Insecticide - Levo	kg	-	0	0	0	0	0	0	0	0	0	0
Insecticide - Teepol	kg	-	0	0	0	0	0	0	0	0	0	0
Insecticide - Tracer (Spinosad)	kg	-	0	0	0	0	0	0	0	0	0	0
Fungicide - Copper	kg	-	3	3	3	3	3	3	3	3	3	3
Fungicide - Dithane	kg	-	1	1	1	1	1	1	1	1	1	1
Fungicide - Ortiva	kg	-	0	0	0	0	0	0	0	0	0	0
Fungicide - Sulphur	kg	-	4	4	4	4	4	4	4	4	4	4
Fungicide - Rovral	kg	-	1	1	1	1	1	1	1	1	1	1
Boxes	each	-	13	25	63	88	88	88	88	88	88	88
Oxen hire - ploughing	lumpsum	120	20	20	20	20	20	20	20	20	20	20
Oxen hire - ripping	lumpsum	-	27	27	27	27	27	27	27	27	27	27
Innoculant	sachet	-	0	0	0	0	0	0	0	0	0	0

Maize - Horticulture Farm Model - Production & Inputs (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Maize / Horticulture Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

Unit		Without Project	With Project									
		1 to 10	1	2	3	4	5	6	7	8	9	10
Poly bags	each	25	30	45	60	75	75	75	75	75	75	75
T9 twine	cords	3	4	6	8	10	10	10	10	10	10	10
Pump fuel	ltr	-	20	20	20	20	20	20	20	20	20	20
Water charges	m3	-	38	75	75	75	75	75	75	75	75	75
Field lug hire	each	-	15	15	15	15	15	15	15	15	15	15
Packhouse lug hire	each	-	150	150	150	150	150	150	150	150	150	150
Mechanical land preparation	lump sum	-	11	11	11	11	11	11	11	11	11	11
Mechanical bed making	lump sum	-	9	9	9	9	9	9	9	9	9	9
Tray rentals	trip	-	188	188	188	188	188	188	188	188	188	188
Annual mainten. / replac. / marketing	lump sum	-	-	100	150	200	250	250	250	250	250	250
Labor												
Jan female -	woman day	8	13	13	13	13	13	13	13	13	13	13
Feb female -	woman day	13	10	10	10	10	10	10	10	10	10	10
Mar female -	woman day	8	10	10	10	10	10	10	10	10	10	10
Apr female -	woman day	4	8	9	9	9	9	9	9	9	9	9
May female -	woman day	1	9	9	9	9	9	9	9	9	9	9
Jun female -	woman day	5	9	10	11	12	12	12	12	12	12	12
Jul female -	woman day	-	7	7	7	7	7	7	7	7	7	7
Aug female -	woman day	-	7	7	7	7	7	7	7	7	7	7
Sep female -	woman day	-	7	7	7	7	7	7	7	7	7	7
Oct female -	woman day	1	8	8	8	8	8	8	8	8	8	8
Nov female -	woman day	1	8	8	8	8	8	8	8	8	8	8
Dec female -	woman day	3	10	10	10	10	10	10	10	10	10	10
Jan male -	man day	8	13	13	13	13	13	13	13	13	13	13
Feb male -	man day	11	9	9	9	9	9	9	9	9	9	9
Mar male -	man day	8	10	10	10	10	10	10	10	10	10	10
Apr male -	man day	6	10	10	10	11	11	11	11	11	11	11
May male -	man day	1	8	8	8	8	8	8	8	8	8	8
Jun male -	man day	4	9	9	10	11	11	11	11	11	11	11
Jul male -	man day	-	7	7	7	7	7	7	7	7	7	7
Aug male -	man day	-	7	7	7	7	7	7	7	7	7	7
Sept male -	man day	-	7	7	7	7	7	7	7	7	7	7
Oct male -	man day	3	10	10	10	10	10	10	10	10	10	10
Nov male -	man day	8	9	9	9	9	9	9	9	9	9	9
Dec male -	man day	3	10	10	10	10	10	10	10	10	10	10
Hired labour - Planting	person day	-	3	3	3	3	3	3	3	3	3	3

Appendix 3 Table 4: Maize - Horticulture Farm Model – Aggregated Financial Budget

Zimbabwe

Smallholder Agriculture Cluster Project

Maize / Horticulture Farm Household Model

FINANCIAL BUDGET (AGGREGATED)

(In USD) /a

	Without Project	With Project									
	1 to 10	1	2	3	4	5	6	7	8	9	10
Main Production											
Field crops	509	571	644	863	1,082	1,155	1,155	1,155	1,155	1,155	1,155
Food crops	413	-	-	-	-	-	-	-	-	-	-
Horticulture	-	2,235	2,240	2,256	2,283	2,320	2,365	2,404	2,433	2,453	2,464
Sub-total Main Production	921	2,806	2,884	3,119	3,365	3,475	3,520	3,559	3,588	3,608	3,619
On-Farm Use											
Field crops	30	30	27	30	30	30	30	30	30	30	30
On-Farm Consumption											
Field crops	85	106	149	149	149	149	149	149	149	149	149
Food crops	308	350	663	663	663	663	663	663	663	663	663
Sub-Total On-Farm Consumption	393	456	812	812	812	812	812	812	812	812	812
Net Value Of Production	497	2,320	2,045	2,277	2,523	2,633	2,678	2,717	2,746	2,767	2,778
Purchased Consumption											
Field crops	-	38	52	45	45	45	45	45	45	45	45
Food crops	298	350	663	663	663	663	663	663	663	663	663
Sub-Total Purchased Consumption	298	389	716	708	708	708	708	708	708	708	708
INFLOWS	200	1,931	1,330	1,569	1,815	1,925	1,970	2,009	2,038	2,058	2,070
Production Cost											
Investment											
Investments	-	1,090	-	-	-	-	-	500	-	-	-
Operating											
Purchased Inputs											
Planting materials	-	155	155	155	155	155	155	155	155	155	155
Agrochemicals	197	784	907	966	1,097	1,045	1,045	1,117	1,045	1,045	1,117
Other inputs	133	136	251	328	398	448	448	448	448	448	448
Sub-Total Purchased Inputs	331	1,076	1,313	1,448	1,650	1,648	1,648	1,720	1,648	1,648	1,720

Maize - Horticulture Farm Model - Aggregated Financial Budget (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Maize / Horticulture Farm Household Model

FINANCIAL BUDGET (AGGREGATED)

(In USD) /a

	Without Project	With Project									
	1 to 10	1	2	3	4	5	6	7	8	9	10
Labor											
Female labor	90	210	212	214	216	216	216	216	216	216	216
Male labor	102	214	216	218	220	220	220	220	220	220	220
Hired labour	-	8	8	8	8	8	8	8	8	8	8
Sub-Total Hired Labor	192	432	435	439	443	443	443	443	443	443	443
Sub-total Operating Costs	522	1,507	1,748	1,887	2,093	2,091	2,091	2,163	2,091	2,091	2,163
Sub-Total Production Cost	522	2,597	1,748	1,887	2,093	2,091	2,091	2,663	2,091	2,091	2,163
OUTFLOWS	522	2,597	1,748	1,887	2,093	2,091	2,091	2,663	2,091	2,091	2,163
Cash Flow Before Financing	-323	-666	-418	-318	-278	-166	-121	-654	-53	-32	-93
Farm Family Benefits Before Financing	71	-210	394	494	534	646	691	158	759	779	719
Net Financing	-	849	-140	-205	2	-	-572	572	-	-72	72
Cash Flow After Financing	-323	183	-558	-524	-276	-166	-693	-82	-53	-104	-21
Change in Net Worth											
Contribution from own savings	-	2,075	-	-	-	-	-	-	-	-	-
Residual value of											
Transfer to Next Period	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Change in Net Worth	-	-2,075	-	-	-	-	-	-	-	-	-
Farm Family Benefits After Financing	71	-1,435	254	288	536	646	119	730	759	707	791

IRR = 26.5%, NPV = 2,649.53

1a Natural Regions: II and III

Appendix 3 Table 5: Sesame - Poultry Farm Model – Detailed Production & Inputs

Zimbabwe
Smallholder Agriculture Cluster Project
Sesame / Poultry Farm Household Model
PRODUCTION AND INPUTS (Detailed)
(In Units) /a

(In Units) /a		Without Project										With Project									
		Unit	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8 to 9	10
Main Production																					
Maize - OPV	kg	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-	-	-	-	-
Maize - Hybrid	kg	-	-	-	-	-	-	-	-	-	-	500	625	1,000	1,375	1,500	1,500	1,500	1,500	1,500	1,500
Sorghum / pearl millet	kg	60	60	60	60	60	60	60	60	60	60	60	66	83	99	105	105	105	105	105	105
Cowpea (intercropped)	kg	100	100	100	100	100	100	100	100	100	100	50	60	88	116	125	125	125	125	125	125
Groundnut / Bambarra nut	kg	125	125	125	125	125	125	125	125	125	125	125	141	188	235	250	250	250	250	250	250
Sesame	kg	-	-	-	-	-	-	-	-	-	-	250	257	275	294	300	300	300	300	300	300
Pumpkin (intercropped)	kg	750	750	750	750	750	750	750	750	750	750	1,050	1,106	1,275	1,444	1,500	1,500	1,500	1,500	1,500	1,500
Eggs	each	-	-	-	-	-	-	-	-	-	-	2,250	3,750	7,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Poultry manure	kg	-	-	-	-	-	-	-	-	-	-	360	600	1,200	1,600	1,600	1,600	1,600	1,600	1,600	1,600
By Products																					
Sesame - stover	kg	-	-	-	-	-	-	-	-	-	-	125	129	138	147	150	150	150	150	150	150
On-Farm Use																					
Cowpea (intercropped)	kg	10	10	10	10	10	10	10	10	10	10	-	-	-	5	5	5	5	5	5	5
Groundnut / Bambarra nut	kg	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23
On-Farm Consumption																					
Maize - OPV	kg	98	98	98	98	98	98	98	98	98	98	-	-	-	-	-	-	-	-	-	-
Maize - Hybrid	kg	-	-	-	-	-	-	-	-	-	-	98	115	115	115	115	115	115	115	115	115
Sorghum / pearl millet	kg	98	98	98	98	98	98	98	98	98	98	98	115	115	115	115	115	115	115	115	115
Cowpea (intercropped)	kg	14	14	14	14	14	14	14	14	14	14	60	110	110	110	110	110	110	110	110	110
Groundnut / Bambarra nut	kg	3	3	3	3	3	3	3	3	3	3	3	10	20	20	20	20	20	20	20	20
Pumpkin (intercropped)	kg	33	33	33	33	33	33	33	33	33	33	33	180	328	328	328	328	328	328	328	328
Citrus	kg	126	126	126	126	126	126	126	126	126	126	126	288	450	450	450	450	450	450	450	450
Green leafy vegetables	kg	469	469	469	469	469	469	469	469	469	469	469	565	660	660	660	660	660	660	660	660
Sales																					
Maize - OPV	kg	902	902	902	902	902	902	902	902	902	902	-	-	-	-	-	-	-	-	-	-
Maize - Hybrid	kg	-	-	-	-	-	-	-	-	-	-	402	510	885	1,260	1,385	1,385	1,385	1,385	1,385	1,385
Cowpea (intercropped)	kg	76	76	76	76	76	76	76	76	76	76	-	-	-	1	10	10	10	10	10	10
Groundnut / Bambarra nut	kg	100	100	100	100	100	100	100	100	100	100	100	108	145	192	208	208	208	208	208	208
Sesame	kg	-	-	-	-	-	-	-	-	-	-	250	257	275	294	300	300	300	300	300	300
Sesame - stover	kg	-	-	-	-	-	-	-	-	-	-	125	129	138	147	150	150	150	150	150	150
Pumpkin (intercropped)	kg	717	717	717	717	717	717	717	717	717	717	1,017	926	947	1,116	1,172	1,172	1,172	1,172	1,172	1,172

Sesame - Poultry Farm Model - Production & Inputs (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Sesame / Poultry Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

		Without Project										With Project									
		1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8 to 9	10	
Eggs	each	-	-	-	-	-	-	-	-	-	-	2,250	3,750	7,500	10,000	10,000	10,000	10,000	10,000	10,000	
Poultry manure	kg	-	-	-	-	-	-	-	-	-	-	360	600	1,200	1,600	1,600	1,600	1,600	1,600	1,600	
Purchased Consumption																					
Sorghum / pearl millet	kg	38	38	38	38	38	38	38	38	38	38	38	49	33	16	10	10	10	10	10	
Cowpea (intercropped)	kg	-	-	-	-	-	-	-	-	-	-	10	51	23	-	-	-	-	-	-	
Investment																					
Hens (Point of lay) - initial	each	-	-	-	-	-	-	-	-	-	-	40	-	-	-	-	-	-	-	-	
Hens (Point of lay) - replacement	each	-	-	-	-	-	-	-	-	-	-	-	1	2	3	4	4	4	4	4	
SACP MG: Household contribution	ump sum	-	-	-	-	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-	
Investment package	ump sum	-	-	-	-	-	-	-	-	-	-	200	-	-	-	-	-	-	-	-	
Investment replacements	ump sum	-	-	-	-	-	-	-	-	-	-	-	-	-	-	300	-	-	-	300	
Operating																					
Purchased Inputs																					
Maize seed - traditional	kg	25	25	25	25	25	25	25	25	25	25	-	-	-	-	-	-	-	-	-	
Maize seed - hybrid	kg	-	-	-	-	-	-	-	-	-	-	13	13	13	13	13	13	13	13	13	
Sesame seed	kg	-	-	-	-	-	-	-	-	-	-	3	3	3	3	3	3	3	3	3	
Sesame - seed treatment	ml	-	-	-	-	-	-	-	-	-	-	8	8	8	8	8	8	8	8	8	
Small grain seed	kg	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	
Pumpkin seed	kg	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Cowpea seed	kg	-	-	-	-	-	-	-	-	-	-	5	5	5	-	-	-	-	-	-	
Compound D	kg	115	115	115	115	115	115	115	115	115	115	253	283	283	283	283	283	283	283	283	
Ammonium nitrate	kg	115	115	115	115	115	115	115	115	115	115	168	180	180	180	180	180	180	180	180	
Lime	kg	-	-	-	-	-	-	-	-	-	-	630	-	-	630	-	-	600	-	600	
Herbicide - Glyphosate	ltr	-	-	-	-	-	-	-	-	-	-	3	3	3	3	3	3	3	3	3	
Herbicide - Atrazine	ltr	-	-	-	-	-	-	-	-	-	-	2	2	2	2	2	2	2	2	2	
Herbicide - Metalochlor/Dual	ltr	-	-	-	-	-	-	-	-	-	-	1	1	1	1	1	1	1	1	1	
Herbicide - Alachlor	ltr	-	-	-	-	-	-	-	-	-	-	0	0	0	0	0	0	0	0	0	
Herbicide - Bentazon	ltr	-	-	-	-	-	-	-	-	-	-	0	0	0	0	0	0	0	0	0	
Pesticide - Dipterex/Carbaryl	kg	5	5	5	5	5	5	5	5	5	5	3	3	3	3	3	3	3	3	3	
Pesticide - Carbaryl	kg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pesticide - Thionex/Thiodan	kg	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Pesticide - Trichloform	kg	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	

Sesame - Poultry Farm Model - Production & Inputs (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Sesame / Poultry Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

		Without Project										With Project									
		1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8 to 9	10	
Pesticide - Dimethoate	ltr	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Pesticide - Lambda-cyhalothrin	ltr	-	-	-	-	-	-	-	-	-	-	0	0	0	0	0	0	0	0	0	
Oxen hire - ploughing	lumpsum	124	124	124	124	124	124	124	124	124	124	40	40	40	40	40	40	40	40	40	
Oxen hire - ripping	lumpsum	-	-	-	-	-	-	-	-	-	-	58	58	58	58	58	58	58	58	58	
Innoculant	sachet	-	-	-	-	-	-	-	-	-	-	0	0	0	0	0	0	0	0	0	
Poly bags	each	26	26	26	26	26	26	26	26	26	26	34	47	60	70	70	70	70	70	70	
T9 twine	cords	3	3	3	3	3	3	3	3	3	3	5	6	8	9	9	9	9	9	9	
Poultry vaccines and treatments	per bird	-	-	-	-	-	-	-	-	-	-	40	40	40	40	40	40	40	40	40	
Layer feed	kg	-	-	-	-	-	-	-	-	-	-	329	548	1,095	1,460	1,460	1,460	1,460	1,460	1,460	
Annual mainten. / replac. / marketing	ump sum	-	-	-	-	-	-	-	-	-	-	-	100	150	150	150	150	150	150	150	
Labor																					
Jan female -	oman da	11	11	11	11	11	11	11	11	11	11	10	10	10	10	10	10	10	10	10	
Feb female -	oman da	14	14	14	14	14	14	14	14	14	14	8	8	8	8	8	8	8	8	8	
Mar female -	oman da	9	9	9	9	9	9	9	9	9	9	10	10	10	10	10	10	10	10	10	
Apr female -	oman da	2	2	2	2	2	2	2	2	2	2	7	7	7	7	7	7	7	7	7	
May female -	oman da	1	1	1	1	1	1	1	1	1	1	8	8	8	8	8	8	8	8	8	
Jun female -	oman da	5	5	5	5	5	5	5	5	5	5	9	10	12	13	14	14	14	14	14	
Jul female -	oman da	-	-	-	-	-	-	-	-	-	-	6	7	7	8	9	9	9	9	9	
Aug female -	oman da	-	-	-	-	-	-	-	-	-	-	4	4	4	4	4	4	4	4	4	
Sep female -	oman da	-	-	-	-	-	-	-	-	-	-	8	8	8	8	8	8	8	8	8	
Oct female -	oman da	1	1	1	1	1	1	1	1	1	1	5	5	5	5	5	5	5	5	5	
Nov female -	oman da	1	1	1	1	1	1	1	1	1	1	5	5	5	5	5	5	5	5	5	
Dec female -	oman da	3	3	3	3	3	3	3	3	3	3	9	9	9	9	9	9	9	9	9	
Jan male -	man day	11	11	11	11	11	11	11	11	11	11	7	7	7	7	7	7	7	7	7	
Feb male -	man day	12	12	12	12	12	12	12	12	12	12	7	7	7	7	7	7	7	7	7	
Mar male -	man day	8	8	8	8	8	8	8	8	8	8	10	10	10	10	10	10	10	10	10	
Apr male -	man day	5	5	5	5	5	5	5	5	5	5	9	9	9	9	9	9	9	9	9	
May male -	man day	1	1	1	1	1	1	1	1	1	1	7	7	7	7	7	7	7	7	7	
Jun male -	man day	3	3	3	3	3	3	3	3	3	3	7	9	10	12	13	13	13	13	13	
Jul male -	man day	-	-	-	-	-	-	-	-	-	-	5	5	5	5	5	5	5	5	5	
Aug male -	man day	-	-	-	-	-	-	-	-	-	-	4	4	4	4	4	4	4	4	4	
Sept male -	man day	-	-	-	-	-	-	-	-	-	-	4	4	4	4	4	4	4	4	4	
Oct male -	man day	3	3	3	3	3	3	3	3	3	3	8	8	8	8	8	8	8	8	8	
Nov male -	man day	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	
Dec male -	man day	3	3	3	3	3	3	3	3	3	3	8	8	8	8	8	8	8	8	8	

Appendix 3 Table 6: Sesame - Poultry Farm Model – Aggregated Financial Budget

Zimbabwe

Smallholder Agriculture Cluster Project

Sesame / Poultry Farm Household Model

FINANCIAL BUDGET (AGGREGATED)

(In USD) /a

	Without Project										With Project									
	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
Main Production																				
Field crops	599	599	599	599	599	599	599	599	599	599	666	742	969	1,196	1,271	1,271	1,271	1,271	1,271	1,271
Food crops	248	248	248	248	248	248	248	248	248	248	347	365	421	476	495	495	495	495	495	495
Livestock products	-	-	-	-	-	-	-	-	-	-	225	375	750	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Sub-total Main Production	847	847	847	847	847	847	847	847	847	847	1,238	1,483	2,139	2,672	2,766	2,766	2,766	2,766	2,766	2,766
On-Farm Use																				
Field crops	31	31	31	31	31	31	31	31	31	31	27	27	27	29	29	29	29	29	29	29
On-Farm Consumption																				
Field crops	85	85	85	85	85	85	85	85	85	85	98	137	149	149	149	149	149	149	149	149
Food crops	308	308	308	308	308	308	308	308	308	308	308	486	663	663	663	663	663	663	663	663
Sub-Total On-Farm Consumption	393	393	393	393	393	393	393	393	393	393	406	623	812	812	812	812	812	812	812	812
Net Value Of Production	423	423	423	423	423	423	423	423	423	423	805	833	1,300	1,832	1,925	1,925	1,925	1,925	1,925	1,925
Purchased Consumption																				
Field crops	15	15	15	15	15	15	15	15	15	15	18	37	21	6	4	4	4	4	4	4
INFLOWS	408	408	408	408	408	408	408	408	408	408	786	796	1,280	1,825	1,921	1,921	1,921	1,921	1,921	1,921
Production Cost																				
Investment																				
Other inputs	-	-	-	-	-	-	-	-	-	-	400	10	20	30	40	40	40	40	40	40
Investments	-	-	-	-	-	-	-	-	-	-	220	-	-	-	300	-	-	-	-	300
Sub-total Investment Costs	-	-	-	-	-	-	-	-	-	-	620	10	20	30	340	40	40	40	40	340
Operating																				
Purchased Inputs																				
Planting materials	-	-	-	-	-	-	-	-	-	-	34	34	34	34	34	34	34	34	34	34
Agrochemicals	226	226	226	226	226	226	226	226	226	226	482	436	436	512	436	436	508	436	436	508
Other inputs	153	153	153	153	153	153	153	153	153	153	506	840	1,451	1,828	1,828	1,828	1,828	1,828	1,828	1,828
Sub-Total Purchased Inputs	364	364	364	364	364	364	364	364	364	364	792	945	1,232	1,466	1,391	1,391	1,463	1,391	1,391	1,463

Sesame - Poultry Farm Model - Aggregated Financial Budget (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Sesame / Poultry Farm Household Model

FINANCIAL BUDGET (AGGREGATED)

(In USD) /a

	Without Project										With Project									
	1	2	3	4	5	6	7	8	9	10	1	2	3	4	5	6	7	8	9	10
Labor																				
Female labor	93	93	93	93	93	93	93	93	93	93	172	176	180	184	188	188	188	188	188	188
Male labor	109	109	109	109	109	109	109	109	109	109	168	171	175	177	179	179	179	179	179	179
Sub-Total Hired Labor	202	202	202	202	202	202	202	202	202	202	340	347	354	361	367	367	367	367	367	367
Sub-total Operating Costs	566	566	566	566	566	566	566	566	566	566	1,132	1,292	1,587	1,827	1,757	1,757	1,829	1,757	1,757	1,829
Sub-Total Production Cost	566	566	566	566	566	566	566	566	566	566	1,752	1,302	1,607	1,857	2,097	1,797	1,869	1,797	1,797	2,169
OUTFLOWS	566	566	566	566	566	566	566	566	566	566	1,752	1,302	1,607	1,857	2,097	1,797	1,869	1,797	1,797	2,169
Cash Flow Before Financing	-158	-158	-158	-158	-158	-158	-158	-158	-158	-158	-966	-507	-327	-32	-176	124	52	124	124	-248
Farm Family Benefits Before Financing	236	236	236	236	236	236	236	236	235	235	-559	116	485	780	636	936	864	936	936	564
Net Financing	-	-	-	-	-	-	-	-	-	-	449	-304	-251	-240	300	-72	72	-	-372	372
Cash Flow After Financing	-158	-158	-158	-158	-158	-158	-158	-158	-158	-158	-516	-811	-577	-272	124	52	124	124	-248	124
Change in Net Worth																				
Contribution from own savings	-	-	-	-	-	-	-	-	-	-	1,186	-	-	-	-	-	-	-	-	-
Residual value of																				
Transfer to Next Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Change in Net Worth	-	-	-	-	-	-	-	-	-	-	-1,186	-	-	-	-	-	-	-	-	-
Farm Family Benefits After Financing	236	236	236	236	236	236	236	236	235	235	-1,296	-188	235	540	936	864	936	936	564	936

IRR = 20.7%, NPV = 2,072.45

/a Natural Regions: II, III and IV

Appendix 3 Table 7: Irrigated crops - Goat Farm Model – Detailed Production & Inputs

Zimbabwe

Smallholder Agriculture Cluster Project

Irrigated Crops / Goat Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

Unit	Without Project	With Project									
	1 to 10	1	2	3	4	5	6	7	8	9	10
Main Production											
Maize - OPV	kg	500	-	-	-	-	-	-	-	-	-
Maize - Hybrid	kg	-	750	844	1,125	1,407	1,500	1,500	1,500	1,500	1,500
Sorghum / pearl millet	kg	150	-	-	-	-	-	-	-	-	-
Cowpea (intercropped)	kg	50	50	60	88	116	125	125	125	125	125
Groundnut / Bambarra nut	kg	125	125	141	188	235	250	250	250	250	250
Pumpkin (intercropped)	kg	1,875	-	-	-	-	-	-	-	-	-
Goat liveweight	kg LW	116	109	79	124	150	208	242	299	332	487
Goat manure	kg	1,000	1,000	1,200	1,500	1,800	2,200	2,600	3,000	3,500	4,200
Tomatoes	kg	-	1,500	1,537	1,648	1,833	2,093	2,407	2,667	2,852	3,000
Forage legume - irrigated	kg	-	4,200	4,575	5,700	6,825	7,200	7,200	7,200	7,200	7,200
Communal grazing	kg DM	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
By Products											
Maize stover - OPV	kg	250	-	-	-	-	-	-	-	-	-
Maize stover - hybrid	kg	-	375	422	563	704	750	750	750	750	750
Small grains stover	kg	375	-	-	-	-	-	-	-	-	-
On-Farm Use											
Maize stover - OPV	kg	250	-	-	-	-	-	-	-	-	-
Maize stover - hybrid	kg	-	375	422	563	704	750	750	750	750	750
Sorghum / pearl millet	kg	8	-	-	-	-	-	-	-	-	-
Small grains stover	kg	375	-	-	-	-	-	-	-	-	-
Cowpea (intercropped)	kg	5	-	-	-	5	5	5	5	5	5
Groundnut / Bambarra nut	kg	23	23	23	23	23	23	23	23	23	23
Forage legume - irrigated	kg	-	0	0	0	0	0	0	0	300	2,275
Communal grazing	kg DM	1,850	1,875	1,978	2,638	3,072	4,100	4,825	5,875	6,850	8,000
On-Farm Consumption											
Maize - OPV	kg	98	-	-	-	-	-	-	-	-	-
Maize - Hybrid	kg	-	98	115	115	115	115	115	115	115	115
Sorghum / pearl millet	kg	98	98	115	115	115	115	115	115	115	115
Cowpea (intercropped)	kg	14	60	110	110	110	110	110	110	110	110
Groundnut / Bambarra nut	kg	3	11	20	20	20	20	20	20	20	20
Pumpkin (intercropped)	kg	33	160	328	328	328	328	328	328	328	328

Irrigated crops - Goat Farm Model - Production & Inputs (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Irrigated Crops / Goat Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

	Unit	Without Project	With Project									
		1 to 10	1	2	3	4	5	6	7	8	9	10
Citrus	kg	126	288	450	450	450	450	450	450	450	450	450
Green leafy vegetables	kg	469	565	660	660	660	660	660	660	660	660	660
Sales												
Maize - OPV	kg	402	-	-	-	-	-	-	-	-	-	-
Maize - Hybrid	kg	-	652	729	1,010	1,292	1,385	1,385	1,385	1,385	1,385	1,385
Sorghum / pearl millet	kg	45	-	-	-	-	-	-	-	-	-	-
Cowpea (intercropped)	kg	31	-	-	-	1	10	10	10	10	10	10
Groundnut / Bambarra nut	kg	100	92	98	145	192	208	208	208	208	208	208
Pumpkin (intercropped)	kg	1,842	-	-	-	-	-	-	-	-	-	-
Goat liveweight	kg LW	116	109	79	124	150	208	242	299	332	394	487
Goat manure	kg	1,000	1,000	1,200	1,500	1,800	2,200	2,600	3,000	3,500	4,200	5,200
Tomatoes	kg	-	1,500	1,537	1,648	1,833	2,093	2,407	2,667	2,852	2,963	3,000
Forage legume - irrigated	kg	-	4,200	4,575	5,700	6,825	7,200	7,200	7,200	7,200	6,900	4,925
Communal grazing	kg DM	6,150	6,125	6,022	5,363	4,929	3,900	3,175	2,125	1,150	-	-
Purchased Consumption												
Sorghum / pearl millet	kg	-	98	115	115	115	115	115	115	115	115	115
Cowpea (intercropped)	kg	-	10	51	23	-	-	-	-	-	-	-
Pumpkin (intercropped)	kg	-	160	328	328	328	328	328	328	328	328	328
Investment												
SACP MG: Household contribution	lump sum	-	104	-	-	-	-	-	-	-	-	-
Investment package	lump sum	-	1,500	-	-	-	-	-	-	-	-	-
Investment replacements	lump sum	-	-	-	-	-	1,000	-	-	-	-	1,000
Operating												
Purchased Inputs												
Maize seed - traditional	kg	13	-	-	-	-	-	-	-	-	-	-
Maize seed - hybrid	kg	-	13	13	13	13	13	13	13	13	13	13
Pumpkin seed	kg	4	-	-	-	-	-	-	-	-	-	-
Cowpea seed	kg	-	5	5	5	-	-	-	-	-	-	-
Tomato seed	kg	-	0	0	0	0	0	0	0	0	0	0
Forage legume seed	kg	-	4	4	4	4	4	4	4	4	4	4
Inoculant (forage legume)	sachet	-	1	1	1	1	1	1	1	1	1	1
Compound D	kg	88	238	247	275	303	313	313	313	313	313	313

Irrigated crops - Goat Farm Model - Production & Inputs (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Irrigated Crops / Goat Farm Household Model

PRODUCTION AND INPUTS (Detailed)

(In Units) /a

Unit		Without Project	With Project									
		1 to 10	1	2	3	4	5	6	7	8	9	10
Ammonium nitrate	kg	88	110	120	148	176	185	185	185	185	185	185
Lime	kg	-	750	300	300	750	300	300	750	300	300	750
Compound C	kg	-	75	150	150	150	150	150	150	150	150	150
Calcium nitrate	kg	-	23	45	45	45	45	45	45	45	45	45
Herbicide - Glyphosate	ltr	-	2	2	2	2	2	2	2	2	2	2
Herbicide - Atrazine	ltr	-	1	1	1	1	1	1	1	1	1	1
Herbicide - Metolochlor/Dual	ltr	-	1	1	1	1	1	1	1	1	1	1
Herbicide - Bentazon	ltr	-	0	0	0	0	0	0	0	0	0	0
Herbicide - Frontier	ltr	-	0	0	0	0	0	0	0	0	0	0
Herbicide - Sencor	ltr	-	0	0	0	0	0	0	0	0	0	0
Pesticide - Dipterex/Carbaryl	kg	3	3	3	3	3	3	3	3	3	3	3
Pesticide - Carbaryl	kg	1	-	-	-	-	-	-	-	-	-	-
Pesticide - Thionex/Thiodan	kg	0	0	0	0	0	0	0	0	0	0	0
Pesticide - Trichlofon	kg	2	-	-	-	-	-	-	-	-	-	-
Pesticide - Dimethoate	ltr	1	1	1	1	1	1	1	1	1	1	1
Pesticide - Dithane M45	kg	-	1	1	1	1	1	1	1	1	1	1
Pesticide - Carbaryl WP	kg	-	1	1	1	1	1	1	1	1	1	1
Pesticide - Copper oxychloride	kg	-	0	0	0	0	0	0	0	0	0	0
Pesticide - Agriwet	ltr	-	0	0	0	0	0	0	0	0	0	0
Boxes	each	-	53	53	53	53	53	53	53	53	53	53
Oxen hire - ploughing	lumpsum	120	60	60	60	60	60	60	60	60	60	60
Oxen hire - ripping	lumpsum	-	20	20	20	20	20	20	20	20	20	20
Innoculant	sachet	-	0	0	0	0	0	0	0	0	0	0
Poly bags	each	25	20	30	40	50	50	50	50	50	50	50
T9 twine	cords	3	3	4	5	7	7	7	7	7	7	7
Pump fuel	ltr	-	12	12	12	12	12	12	12	12	12	12
Water charges	m3	-	45	45	45	45	45	45	45	45	45	45
Goat vaccines and treatments	per head	10	7	8	10	12	14	17	20	23	27	34
Feed supplements - goats	per head	10	7	8	10	12	14	17	20	23	27	34
Annual mainten. / replac. / marketing	lump sum	-	-	100	200	400	400	400	400	400	400	400

Appendix 3 Table 8: Irrigated Crops - Goat Farm Model – Aggregated Financial Budget

Zimbabwe

Smallholder Agriculture Cluster Project

Irrigated Crops / Goat Farm Household Model

FINANCIAL BUDGET (AGGREGATED)

(In USD) /a

	Without Project	With Project									
	1 to 10	1	2	3	4	5	6	7	8	9	10
Main Production											
Field crops	422	431	486	650	815	870	870	870	870	870	870
Food crops	619	-	-	-	-	-	-	-	-	-	-
Livestock products	196	190	186	253	305	393	461	548	626	747	924
Horticulture	-	600	615	659	733	837	963	1,067	1,141	1,185	1,200
Fodder & forage crops	1	1,051	1,145	1,426	1,707	1,801	1,801	1,801	1,801	1,801	1,801
Sub-total Main Production	1,237	2,272	2,431	2,988	3,560	3,901	4,095	4,286	4,437	4,603	4,795
On-Farm Use											
Field crops	32	27	27	27	29	29	29	29	29	29	29
Fodder & forage crops	0	0	0	0	0	0	0	1	1	76	570
Sub-Total On-Farm Use	32	27	27	27	29	29	29	29	29	105	598
On-Farm Consumption											
Field crops	85	107	149	149	149	149	149	149	149	149	149
Food crops	308	479	663	663	663	663	663	663	663	663	663
Sub-Total On-Farm Consumption	393	587	812	812	812	812	812	812	812	812	812
Net Value Of Production	812	1,658	1,592	2,149	2,719	3,059	3,253	3,444	3,596	3,686	3,385
Purchased Consumption											
Field crops	-	42	63	53	45	45	45	45	45	45	45
Food crops	-	53	108	108	108	108	108	108	108	108	108
Sub-Total Purchased Consumption	-	95	171	161	153	153	153	153	153	153	153
INFLOWS	812	1,563	1,420	1,988	2,566	2,906	3,100	3,291	3,443	3,533	3,232
Production Cost											
Investment											
Investments	-	1,604	-	-	-	1,000	-	-	-	-	1,000
Operating											
Purchased Inputs											
Planting materials	-	62	62	62	62	62	62	62	62	62	62
Agrochemicals	173	544	592	631	724	684	684	738	684	684	738
Other inputs	153	147	255	364	574	578	584	590	596	604	618
Sub-Total Purchased Inputs	327	753	909	1,057	1,360	1,323	1,329	1,389	1,341	1,349	1,417

Irrigated Crops - Goat Farm Model – Aggregated Financial Budget (Continued)

Zimbabwe

Smallholder Agriculture Cluster Project

Irrigated Crops / Goat Farm Household Model

FINANCIAL BUDGET (AGGREGATED)

(In USD) /a

	Without Project	With Project									
	1 to 10	1	2	3	4	5	6	7	8	9	10
Labor											
Female labor	113	105	109	122	140	167	196	222	239	251	253
Male labor	123	107	111	124	142	169	197	224	241	253	255
Sub-Total Hired Labor	236	213	220	246	283	335	393	446	479	503	508
Sub-total Operating Costs	562	966	1,128	1,304	1,642	1,658	1,722	1,835	1,820	1,852	1,925
Sub-Total Production Cost	562	2,570	1,128	1,304	1,642	2,658	1,722	1,835	1,820	1,852	2,925
OUTFLOWS	562	2,570	1,128	1,304	1,642	2,658	1,722	1,835	1,820	1,852	2,925
Cash Flow Before Financing	250	-1,007	292	684	924	248	1,378	1,456	1,622	1,681	306
Farm Family Benefits Before Financing	643	-420	1,104	1,496	1,736	1,060	2,190	2,268	2,434	2,493	1,118
Net Financing	-	1,442	-175	-339	-1,016	936	-113	14	-32	-1,073	1,054
Cash Flow After Financing	250	435	117	345	-92	1,184	1,265	1,471	1,590	608	1,360
Change in Net Worth											
Contribution from own savings	-	2,008	-	-	-	-	-	-	-	-	-
Residual value of											
Transfer to Next Period	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Change in Net Worth	-	-2,008	-	-	-	-	-	-	-	-	-
Farm Family Benefits After Financing	643	-986	929	1,157	719	1,996	2,077	2,283	2,402	1,420	2,172

IRR = 42.7%, NPV = 6,950.19

/a Natural Regions: IV and V

VI. APPENDIX 4 – FARM MODEL AGGREGATIONS

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Notes on Appendix 4 Tables

1. All figures are presented on an incremental basis, i.e. with project minus without project
2. Figures shaded in yellow are quoted in the text.
3. All modelling is undertaken over a 20-year projection period
4. All Appendix 4 tables are available in the project file in Excel format.

Appendix 4 Table 1: Aggregated Small Grains - Goat Farm Models – Farm Distributions

Zimbabwe

Smallholder Agriculture Cluster Project

Small Grain - Goat Subproject Model

FARM DISTRIBUTIONS

(In Units)

	Increments				
	1	2	3	4	5 to 20
Number of Farms					
Non-Participating					
Small Grains / Goat Farm	-563	-1,688	-2,813	-3,938	-4,501
Participating					
Small Grains / Goat Farm	563	1,688	2,813	3,938	4,501
Cropped Area					
Non-Participating					
Small Grains / Goat Farm	-1,408	-4,220	-7,033	-9,845	-11,253
Participating					
Small Grains / Goat Farm	1,408	4,220	7,033	9,845	11,253
Farm Area					
Non-Participating					
Small Grains / Goat Farm	-845	-2,532	-4,220	-5,907	-6,752
Participating					
Small Grains / Goat Farm	845	2,532	4,220	5,907	6,752
Cropping Intensity	-	-	-	-	-

Appendix 4 Table 2: Aggregated Small Grains - Goat Farm Models – Incremental Production and Inputs

Zimbabwe

Smallholder Agriculture Cluster Project

Small Grain - Goat Subproject Model

PRODUCTION AND INPUTS (Aggregated)

(In Units)

		Increments						
		1	2	3	4	5	10	20
Unit								
Main Production								
Field crops	kg	-84,450	-207,175	-147,006	187,100	788,238	2,250,500	2,250,500
Food crops	kg	-	132,164	791,906	2,242,664	4,220,531	8,439,375	8,439,375
Livestock products	kg	-3,941	83,894	461,504	1,216,542	2,416,580	12,969,336	20,574,071
Fodder & forage crops	kg	563,000	1,723,188	3,024,063	4,535,875	5,626,250	6,751,500	6,751,500
By Products								
Field crops	kg	70,375	329,793	852,906	1,560,567	2,250,688	3,094,438	3,094,438
On-Farm Use								
Field crops	kg	67,560	321,353	838,841	1,540,877	2,228,183	3,119,788	3,454,518
Fodder & forage crops	kg	-197,050	-625,143	-782,231	-350,542	1,153,513	21,176,125	34,432,650
On-Farm Consumption								
Field crops	kg	82,761	248,136	413,511	578,886	661,647	661,647	661,647
Food crops	kg	-	228,015	911,655	1,822,905	2,734,155	3,645,810	3,645,810
Sales								
Field crops	kg	-116,541	-306,065	-323,247	-82,242	447,287	1,777,301	1,442,571
Food crops	kg	-	49,403	460,446	1,579,329	3,225,321	7,111,580	7,111,580
Livestock products	kg	-3,941	83,894	461,504	1,216,542	2,416,580	12,969,336	20,574,071
Fodder & forage crops	kg	760,050	2,348,331	3,806,294	4,886,417	4,472,738	-14,424,625	-27,681,150
Purchased Consumption								
Field crops	kg	47,855	140,806	223,205	289,854	298,191	213,798	213,798
Food crops	kg	-	145,254	580,195	1,159,570	1,738,945	2,318,015	2,318,015
Investment								
Investments	unit	452,652	904,500	904,500	904,500	452,652	787,500	-
Operating								
Purchased Inputs								
Planting materials	kg	-985	-2,954	-4,923	-6,892	-7,877	-7,877	-7,877
Agrochemicals	kg	622,931	1,450,786	1,878,244	2,759,452	3,039,169	3,081,356	2,828,156
Other inputs	hectare	-36,102	-42,935	53,568	221,785	461,872	914,269	1,005,411
Labor								
Female labor	woman day	-1,830	-3,825	201	13,874	42,088	286,484	329,698
Male labor	man day	-3,660	-9,311	-8,942	1,076	27,460	271,856	315,070

Appendix 4 Table 3: Aggregated Small Grains - Goat Farm Models – Incremental Economic Budget

Zimbabwe
Smallholder Agriculture Cluster Project
Small Grain - Goat Subproject Model
ECONOMIC BUDGET (AGGREGATED)
(In USD)

	Increments						
	1	2	3	4	5	10	20
Main Production							
Field crops	-30,719	-74,106	-46,034	89,102	326,298	897,528	897,528
Food crops	-	32,711	195,997	555,059	1,044,581	2,088,745	2,088,745
Livestock products	-2,715	-10,430	11,042	88,032	232,980	1,707,461	2,719,423
Fodder & forage crops	140,750	430,797	756,016	1,133,969	1,406,563	1,687,875	1,687,875
Sub-total Main Production	107,316	378,972	917,021	1,866,162	3,010,421	6,381,609	7,393,571
On-Farm Use							
Field crops	-760	-2,279	-3,798	-5,316	-6,076	6,486	94,352
Fodder & forage crops	-20	-63	-78	-35	115	213,158	1,690,643
Sub-Total On-Farm Use	-780	-2,341	-3,876	-5,351	-5,961	219,644	1,784,995
On-Farm Consumption							
Field crops	26,864	80,543	134,222	187,902	214,765	214,765	214,765
Food crops	-	74,954	299,609	599,014	898,419	1,197,885	1,197,885
Sub-Total On-Farm Consumption	26,864	155,497	433,832	786,916	1,113,184	1,412,650	1,412,650
Net Value Of Production	81,233	225,816	487,065	1,084,597	1,903,198	4,749,315	4,195,925
Purchased Consumption							
Field crops	12,921	38,018	60,265	78,261	80,512	57,725	57,725
Food crops	-	54,470	217,573	434,839	652,104	869,256	869,256
Sub-Total Purchased Consumption	12,921	92,488	277,838	513,099	732,616	926,981	926,981
INFLOWS	68,312	133,328	209,226	571,498	1,170,582	3,822,334	3,268,944
Production Cost							
Investment							
Investments	452,652	904,500	904,500	904,500	452,652	787,500	-
Operating							
Purchased Inputs							
Planting materials	12,442	37,305	62,167	87,030	99,472	99,472	99,472
Agrochemicals	143,917	395,363	619,237	899,106	1,046,608	1,125,886	1,102,491
Other inputs	-36,102	-42,935	53,568	221,785	461,872	914,269	1,005,411
Sub-Total Purchased Inputs	119,372	381,010	706,956	1,152,136	1,521,661	1,990,542	2,036,414
Labor							
Female labor	-3,477	-7,268	381	26,361	79,968	544,319	626,427
Male labor	-6,953	-17,691	-16,989	2,044	52,174	516,526	598,633
Sub-Total Hired Labor	-10,430	-24,959	-16,608	28,404	132,142	1,060,845	1,225,060
Sub-total Operating Costs	108,942	356,051	690,348	1,180,541	1,653,803	3,051,387	3,261,474
Sub-Total Production Cost	561,594	1,260,551	1,594,848	2,085,041	2,106,455	3,838,887	3,261,474
OUTFLOWS	561,594	1,260,551	1,594,848	2,085,041	2,106,455	3,838,887	3,261,474
Cash Flow	-493,283	-1,127,222	-1,385,622	-1,513,543	-935,873	-16,553	7,470
Net Economic Benefits	-466,419	-971,726	-951,790	-726,627	177,311	1,396,097	1,420,120

Appendix 4 Table 4: Aggregated Maize - Horticulture Farm Models – Incremental Farm Distributions

Zimbabwe

Smallholder Agriculture Cluster Project

Maize - Horticulture Subproject Model

FARM DISTRIBUTIONS

(In Units)

		----- Increments				
		1	2	3	4	5 to 20
Number of Farms						
Non-Participating						
Maize / Horticulture Farm		-563	-1,688	-2,813	-3,938	-4,501
Participating						
Maize / Horticulture Farm		563	1,688	2,813	3,938	4,501
Cropped Area						
Non-Participating						
Maize / Horticulture Farm		-845	-2,532	-4,220	-5,907	-6,752
Participating						
Maize / Horticulture Farm		845	2,532	4,220	5,907	6,752
Farm Area						
Non-Participating						
Maize / Horticulture Farm		-845	-2,532	-4,220	-5,907	-6,752
Participating						
Maize / Horticulture Farm		845	2,532	4,220	5,907	6,752
Cropping Intensity						
		-	-	-	-	-

Zimbabwe
 Smallholder Agriculture Cluster Project
 Maize - Horticulture Subproject Model
PRODUCTION AND INPUTS (Aggregated)
 (In Units)

Unit	Increments						
	1	2	3	4	5	10	20
Main Production							
Field crops	kg	154,825	560,473	1,349,494	2,713,109	4,305,206	7,370,388
Food crops	kg	-703,750	-2,110,000	-3,516,250	-4,922,500	-5,626,250	-5,626,250
Horticulture	kg	1,942,350	5,830,638	9,747,344	13,720,876	15,840,739	17,997,248
By Products							
Field crops	kg	-35,188	-65,809	61,844	427,012	985,438	2,250,500
On-Farm Use							
Field crops	kg	-1,126	-7,599	-14,064	-16,314	-17,440	-9,002
On-Farm Consumption							
Field crops	kg	29,839	142,386	307,761	473,136	608,725	661,647
Food crops	kg	71,501	598,905	1,510,155	2,421,405	3,261,281	3,645,810
Sales							
Field crops	kg	146,099	546,554	1,445,354	3,140,387	5,230,746	9,485,858
Food crops	kg	-685,171	-2,054,296	-3,423,421	-4,792,546	-5,477,717	-5,477,717
Horticulture	kg	1,942,350	5,830,638	9,747,344	13,720,876	15,840,739	17,997,248
Purchased Consumption							
Field crops	kg	55,174	186,677	327,714	457,089	531,388	517,615
Food crops	kg	90,080	654,609	1,602,984	2,551,359	3,409,814	3,794,343
Investment							
Investments	unit	613,670	1,226,250	1,226,250	1,226,250	613,670	562,500
Operating							
Purchased Inputs							
Planting materials	kg	2,562	11,903	21,237	26,355	28,917	20,480
Agrochemicals	kg	583,103	1,519,483	2,274,773	3,462,362	4,130,539	4,729,866
Other inputs	hectare	211,195	727,373	1,396,097	2,175,205	2,823,488	3,549,601
Labor							
Female labor	woman day	33,921	102,195	171,523	241,977	279,132	284,126
Male labor	man day	31,528	95,021	159,568	225,240	260,003	264,996
Hired labour	person day	1,408	4,220	7,033	9,845	11,253	11,253

Appendix 4 Table 5: Aggregated Maize - Horticulture Farm Models – Incremental Economic Budget

Zimbabwe

Smallholder Agriculture Cluster Project

Maize - Horticulture Subproject Model

ECONOMIC BUDGET (AGGREGATED)

(In USD)

	Increments						
	1	2	3	4	5	10	20
Main Production							
Field crops	26,285	109,793	316,596	708,203	1,196,756	2,182,422	2,182,422
Food crops	-174,178	-522,225	-870,272	-1,218,319	-1,392,497	-1,392,497	-1,392,497
Horticulture	1,323,163	3,969,365	6,624,556	9,297,921	10,677,832	11,246,533	11,600,993
Sub-total Main Production	1,175,270	3,556,934	6,070,881	8,787,805	10,482,091	12,036,459	12,390,919
On-Farm Use							
Field crops	-329	-2,128	-3,924	-4,582	-4,911	-2,633	-2,633
On-Farm Consumption							
Field crops	8,884	44,616	98,295	151,975	196,786	214,765	214,765
Food crops	17,696	185,197	484,602	784,006	1,065,746	1,197,885	1,197,885
Sub-Total On-Farm Consumption	26,581	229,813	582,897	935,981	1,262,532	1,412,650	1,412,650
Net Value Of Production	1,149,018	3,329,248	5,491,907	7,856,406	9,224,470	10,626,442	10,980,902
Purchased Consumption							
Field crops	16,138	54,340	95,331	133,173	154,906	151,402	151,402
Food crops	22,295	198,984	507,577	816,170	1,102,508	1,234,647	1,234,647
Sub-Total Purchased Consumption	38,433	253,324	602,908	949,343	1,257,414	1,386,049	1,386,049
INFLOWS	1,110,585	3,075,924	4,888,999	6,907,062	7,967,056	9,240,392	9,594,852
Production Cost							
Investment							
Investments	613,670	1,226,250	1,226,250	1,226,250	613,670	562,500	-
Operating							
Purchased Inputs							
Planting materials	74,175	222,394	370,613	518,832	593,007	593,007	593,007
Agrochemicals	262,602	841,239	1,499,172	2,239,254	2,751,239	3,100,633	3,077,238
Other inputs	211,195	727,373	1,396,097	2,175,205	2,823,488	3,549,601	3,549,601
Sub-Total Purchased Inputs	338,290	1,131,113	2,108,401	3,249,045	4,152,221	5,077,079	5,053,683
Labor							
Female labor	64,449	194,170	325,894	459,756	530,351	539,839	539,839
Male labor	59,903	180,539	303,179	427,957	494,005	503,493	503,493
Hired labour	4,011	12,027	20,043	28,058	32,070	32,070	32,070
Sub-Total Hired Labor	128,364	386,736	649,116	915,771	1,056,426	1,075,401	1,075,401
Sub-total Operating Costs	466,654	1,517,849	2,757,517	4,164,816	5,208,646	6,152,480	6,129,084
Sub-Total Production Cost	1,080,324	2,744,099	3,983,767	5,391,066	5,822,316	6,714,980	6,129,084
OUTFLOWS	1,080,324	2,744,099	3,983,767	5,391,066	5,822,316	6,714,980	6,129,084
Cash Flow	30,261	331,825	905,232	1,515,996	2,144,740	2,525,412	3,465,768
Net Economic Benefits	56,842	561,638	1,488,129	2,451,977	3,407,272	3,938,062	4,878,418

Appendix 4 Table 6: Aggregated Sesame - Poultry Farm Models – Incremental Farm Distributions

Zimbabwe

Smallholder Agriculture Cluster Project

Sesame - Poultry Subproject Model

FARM DISTRIBUTIONS

(In Units)

	----- Increments				
	1	2	3	4	5 to 20
Number of Farms					
Non-Participating					
Sesame / Poultry Farm	-563	-1,688	-2,813	-3,938	-4,501
Participating					
Sesame / Poultry Farm	563	1,688	2,813	3,938	4,501
Cropped Area					
Non-Participating					
Sesame / Poultry Farm	-873	-2,616	-4,360	-6,104	-6,977
Participating					
Sesame / Poultry Farm	873	2,616	4,360	6,104	6,977
Farm Area					
Non-Participating					
Sesame / Poultry Farm	-901	-2,701	-4,501	-6,301	-7,202
Participating					
Sesame / Poultry Farm	901	2,701	4,501	6,301	7,202
Cropping Intensity	-0	-0	-0	-0	-

Appendix 4 Table 7: Aggregated Sesame - Poultry Farm Models – Incremental Production and Inputs

Zimbabwe

Smallholder Agriculture Cluster Project

Sesame - Poultry Subproject Model

PRODUCTION AND INPUTS (Aggregated)

(In Units)

		Increments						
		1	2	3	4	5	10	20
Unit								
Main Production								
Field crops	kg	-168,900	-414,931	-296,539	368,039	1,565,342	4,480,516	4,482,996
Food crops	kg	168,900	538,153	1,034,025	1,719,741	2,363,363	3,375,750	3,375,750
Livestock products	kg	1,469,430	5,385,300	12,728,100	24,148,300	35,731,480	52,211,600	52,211,600
By Products								
Field crops	kg	70,375	212,971	362,600	522,636	619,450	675,150	675,150
On-Farm Use								
Field crops	kg	-5,630	-16,880	-28,130	-36,565	-36,570	-22,505	-22,505
On-Farm Consumption								
Field crops	kg	25,898	128,881	288,636	454,011	593,534	661,647	661,647
Food crops	kg	-	228,015	911,655	1,822,905	2,734,155	3,645,810	3,645,810
Sales								
Field crops	kg	-113,163	-267,918	-104,099	560,574	1,681,256	4,390,496	4,392,976
Food crops	kg	168,900	455,392	702,565	1,056,406	1,368,153	2,047,955	2,047,955
Livestock products	kg	1,469,430	5,385,300	12,728,100	24,148,300	35,731,480	52,211,600	52,211,600
Purchased Consumption								
Field crops	kg	5,630	46,043	90,346	87,345	53,429	-126,028	-126,028
Investment								
Other inputs	unit	22,520	45,563	47,251	50,064	31,522	18,004	18,004
Investments	unit	123,860	247,500	247,500	247,500	292,760	168,900	-
Operating								
Purchased Inputs								
Planting materials	kg	1,408	4,220	7,033	7,030	2,813	-11,253	-11,253
Agrochemicals	kg	464,278	1,061,247	1,328,040	1,949,524	2,106,925	2,080,212	1,827,012
Other inputs	hectare	198,739	783,793	1,900,605	3,572,937	5,258,476	7,537,375	7,537,375
Labor								
Female labor	woman day	22,098	67,436	115,137	165,032	195,006	212,672	212,672
Male labor	man day	16,749	51,119	87,288	125,089	147,464	158,660	158,660

Appendix 4 Table 8: Aggregated Sesame - Poultry Farm Models – Incremental Economic Budget

Zimbabwe

Smallholder Agriculture Cluster Project

Sesame - Poultry Subproject Model

ECONOMIC BUDGET (AGGREGATED)

(In USD)

	Increments						
	1	2	3	4	5	10	20
Main Production							
Field crops	28,291	116,955	333,210	740,711	1,247,457	2,267,576	2,268,301
Food crops	41,803	133,193	255,921	425,636	584,932	835,498	835,498
Livestock products	105,140	385,328	910,718	1,727,853	2,556,649	3,735,830	3,735,830
Sub-total Main Production	175,234	635,476	1,499,849	2,894,199	4,389,038	6,838,904	6,839,630
On-Farm Use							
Field crops	-1,520	-4,558	-7,595	-9,873	-9,874	-6,076	-6,076
On-Farm Consumption							
Field crops	5,337	32,462	81,083	134,762	183,114	214,765	214,765
Food crops	-	74,954	299,609	599,014	898,419	1,197,885	1,197,885
Sub-Total On-Farm Consumption	5,337	107,415	380,692	733,776	1,081,533	1,412,650	1,412,650
Net Value Of Production	171,417	532,618	1,126,752	2,170,296	3,317,379	5,432,330	5,433,056
Purchased Consumption							
Field crops	1,520	12,575	24,610	23,448	13,653	-36,863	-36,863
INFLOWS	169,897	520,043	1,102,142	2,146,848	3,303,726	5,469,194	5,469,919
Production Cost							
Investment							
Other inputs	171,152	346,279	359,108	380,486	239,567	136,830	136,830
Investments	123,860	247,500	247,500	247,500	292,760	168,900	-
Sub-total Investment Costs	295,012	593,779	606,608	627,986	532,327	305,730	136,830
Operating							
Purchased Inputs							
Planting materials	16,211	48,604	80,997	113,390	129,601	129,601	129,601
Agrochemicals	112,308	316,849	501,548	719,021	824,327	832,545	809,149
Other inputs	198,739	783,793	1,900,605	3,572,937	5,258,476	7,537,375	7,537,375
Sub-Total Purchased Inputs	184,952	632,583	1,287,616	2,173,340	2,942,922	3,780,366	3,756,970
Labor							
Female labor	41,986	128,129	218,761	313,561	370,511	404,077	404,077
Male labor	31,824	97,126	165,848	237,669	280,181	301,454	301,454
Sub-Total Hired Labor	73,809	225,255	384,609	551,230	650,692	705,532	705,532
Sub-total Operating Costs	258,762	857,838	1,672,225	2,724,570	3,593,614	4,485,897	4,462,502
Sub-Total Production Cost	553,774	1,451,617	2,278,832	3,352,556	4,125,941	4,791,628	4,599,332
OUTFLOWS	553,774	1,451,617	2,278,832	3,352,556	4,125,941	4,791,628	4,599,332
Cash Flow	-383,877	-931,574	-1,176,690	-1,205,708	-822,215	677,566	870,587
Net Economic Benefits	-378,540	-824,158	-795,998	-471,932	259,317	2,090,216	2,283,237

Appendix 4 Table 9: Aggregated Irrigated crops - Goat Farm Models – Incremental Farm Distributions

Zimbabwe

Smallholder Agriculture Cluster Project

Irrigated Crops - Goat Subproject Model

FARM DISTRIBUTIONS

(In Units)

	Increments				
	1	2	3	4	5 to 20
Number of Farms					
Non-Participating					
Irrigated Crops / Goat Farm	-563	-1,688	-2,813	-3,938	-4,501
Participating					
Irrigated Crops / Goat Farm	563	1,688	2,813	3,938	4,501
Cropped Area					
Non-Participating					
Irrigated Crops / Goat Farm	-1,408	-4,220	-7,033	-9,845	-11,253
Participating					
Irrigated Crops / Goat Farm	1,408	4,220	7,033	9,845	11,253
Farm Area					
Non-Participating					
Irrigated Crops / Goat Farm	-845	-2,532	-4,220	-5,907	-6,752
Participating					
Irrigated Crops / Goat Farm	845	2,532	4,220	5,907	6,752
Cropping Intensity	-	-	-	-	-

Appendix 4 Table 10: Aggregated Irrigated crops - Goat Farm Models – Incremental Production and Inputs

Zimbabwe

Smallholder Agriculture Cluster Project

Irrigated Crops - Goat Subproject Model

PRODUCTION AND INPUTS (Aggregated)

(In Units)

		Increments						
		1	2	3	4	5	10	20
Unit								
Main Production								
Field crops	kg	56,300	235,938	682,881	1,530,466	2,588,919	4,726,050	4,726,050
Food crops	kg	-1,055,625	-3,165,000	-5,274,375	-7,383,750	-8,439,375	-8,439,375	-8,439,375
Livestock products	kg	-3,941	83,894	461,504	1,216,542	2,416,580	12,969,336	20,574,071
Horticulture	kg	844,500	2,552,859	4,344,618	6,303,054	7,668,531	12,585,969	13,503,000
Fodder & forage crops	kg	2,364,600	7,300,725	13,080,975	20,126,850	25,655,700	32,407,200	32,407,200
By Products								
Field crops	kg	-140,750	-395,539	-544,813	-535,742	-280,750	562,625	562,625
On-Farm Use								
Field crops	kg	-147,788	-416,639	-579,975	-582,152	-328,573	528,868	528,868
Fodder & forage crops	kg	14,075	100,189	615,488	1,745,767	3,684,950	23,827,575	37,920,925
On-Farm Consumption								
Field crops	kg	30,402	143,511	308,886	474,261	609,288	661,647	661,647
Food crops	kg	216,755	889,155	1,800,405	2,711,655	3,406,535	3,645,810	3,645,810
Sales								
Field crops	kg	93,740	328,203	794,258	1,629,735	2,623,252	4,615,776	4,615,776
Food crops	kg	-1,037,046	-3,109,296	-5,181,546	-7,253,796	-8,290,842	-8,290,842	-8,290,842
Livestock products	kg	-3,941	83,894	461,504	1,216,542	2,416,580	12,969,336	20,574,071
Horticulture	kg	844,500	2,552,859	4,344,618	6,303,054	7,668,531	12,585,969	13,503,000
Fodder & forage crops	kg	2,350,525	7,200,536	12,465,488	18,381,083	21,970,750	8,579,625	-5,513,725
Purchased Consumption								
Field crops	kg	60,804	214,677	385,100	527,120	595,799	517,615	517,615
Food crops	kg	90,080	364,664	733,664	1,102,664	1,381,744	1,476,328	1,476,328
Investment								
Investments	unit	903,052	1,804,500	1,804,500	1,804,500	1,466,052	563,000	-
Operating								
Purchased Inputs								
Planting materials	kg	3,423	10,263	17,103	21,128	18,926	4,861	4,861
Agrochemicals	kg	577,286	1,543,073	2,352,960	3,479,197	4,070,893	4,463,360	4,210,160
Other inputs	hectare	32,865	162,438	420,542	864,603	1,399,220	2,368,092	2,459,234
Labor								
Female labor	woman day	-2,139	-5,415	-3,949	6,349	31,301	272,193	315,408
Male labor	man day	-4,307	-11,914	-14,779	-8,812	13,972	254,864	298,079

Appendix 4 Table 11: Aggregated Irrigated crops - Goat Farm Models – Incremental Economic Budget

Zimbabwe
Smallholder Agriculture Cluster Project
Irrigated Crops - Goat Subproject Model
ECONOMIC BUDGET (AGGREGATED)
(In USD)

	Increments						
	1	2	3	4	5	10	20
Main Production							
Field crops	3,800	34,711	158,369	421,050	772,604	1,514,024	1,514,024
Food crops	-261,267	-783,338	-1,305,408	-1,827,478	-2,088,745	-2,088,745	-2,088,745
Livestock products	-2,715	-10,430	11,042	88,032	232,980	1,707,461	2,719,423
Horticulture	243,216	735,223	1,251,250	1,815,280	2,208,537	3,624,759	3,888,864
Fodder & forage crops	591,150	1,825,181	3,270,244	5,031,713	6,413,925	8,101,800	8,101,800
Sub-total Main Production	574,184	1,801,348	3,385,497	5,528,596	7,539,300	12,859,299	14,135,365
On-Farm Use							
Field crops	-1,995	-5,982	-9,969	-13,195	-13,672	-9,874	-9,874
Fodder & forage crops	1	10	62	175	368	406,802	2,562,712
Sub-Total On-Farm Use	-1,994	-5,972	-9,907	-13,021	-13,303	396,928	2,552,838
On-Farm Consumption							
Field crops	9,391	45,629	99,308	152,987	197,293	214,765	214,765
Food crops	72,167	294,041	593,445	892,850	1,120,216	1,197,885	1,197,885
Sub-Total On-Farm Consumption	81,558	339,669	692,753	1,045,837	1,317,509	1,412,650	1,412,650
Net Value Of Production	494,620	1,467,651	2,702,650	4,495,780	6,235,094	11,049,720	10,169,877
Purchased Consumption							
Field crops	17,658	61,900	110,825	152,082	172,297	151,402	151,402
Food crops	22,295	90,254	181,582	272,909	341,982	365,391	365,391
Sub-Total Purchased Consumption	39,953	152,154	292,407	424,991	514,278	516,794	516,794
INFLOWS	454,667	1,315,496	2,410,243	4,070,789	5,720,816	10,532,927	9,653,084
Production Cost							
Investment							
Investments	903,052	1,804,500	1,804,500	1,804,500	1,466,052	563,000	-
Operating							
Purchased Inputs							
Planting materials	29,622	88,814	148,006	207,198	236,820	236,820	236,820
Agrochemicals	162,840	508,954	892,746	1,333,904	1,635,199	1,855,518	1,832,122
Other inputs	32,865	162,438	420,542	864,603	1,399,220	2,368,092	2,459,234
Sub-Total Purchased Inputs	189,846	648,458	1,262,486	2,107,084	2,900,371	4,006,177	4,052,049
Labor							
Female labor	-4,065	-10,289	-7,504	12,063	59,471	517,167	599,274
Male labor	-8,183	-22,636	-28,081	-16,743	26,546	484,242	566,350
Sub-Total Hired Labor	-12,248	-32,925	-35,584	-4,680	86,017	1,001,409	1,165,624
Sub-total Operating Costs	177,598	615,533	1,226,902	2,102,404	2,986,388	5,007,586	5,217,673
Sub-Total Production Cost	1,080,650	2,420,033	3,031,402	3,906,904	4,452,440	5,570,586	5,217,673
OUTFLOWS	1,080,650	2,420,033	3,031,402	3,906,904	4,452,440	5,570,586	5,217,673
Cash Flow	-625,983	-1,104,537	-621,159	163,885	1,268,376	4,962,341	4,435,411
Net Economic Benefits	-544,426	-764,868	71,595	1,209,722	2,585,884	6,374,991	5,848,061

Appendix 4 Table 12: Overall SACP – Incremental Farm Distributions

Zimbabwe

Smallholder Agriculture Cluster Project

Project Summary

FARM DISTRIBUTIONS

(In Units)

	Increments				
	1	2	3	4	5 to 20
Number of Farms					
Non-Participating					
Small Grains / Goat Farm	-225	-1,350	-3,600	-4,275	-4,500
Maize / Horticulture Farm	-225	-1,350	-3,600	-4,275	-4,500
Sesame / Poultry Farm	-225	-1,350	-3,600	-4,275	-4,500
Irrigated Crops / Goat Farm	-225	-1,350	-3,600	-4,275	-4,500
Participating					
Small Grains / Goat Farm	225	1,350	3,600	4,275	4,500
Maize / Horticulture Farm	225	1,350	3,600	4,275	4,500
Sesame / Poultry Farm	225	1,350	3,600	4,275	4,500
Irrigated Crops / Goat Farm	225	1,350	3,600	4,275	4,500
Cropped Area					
Non-Participating					
Small Grains / Goat Farm	-563	-3,375	-9,000	-10,688	-11,250
Maize / Horticulture Farm	-338	-2,025	-5,400	-6,413	-6,750
Sesame / Poultry Farm	-349	-2,093	-5,580	-6,626	-6,975
Irrigated Crops / Goat Farm	-563	-3,375	-9,000	-10,688	-11,250
Participating					
Small Grains / Goat Farm	563	3,375	9,000	10,688	11,250
Maize / Horticulture Farm	338	2,025	5,400	6,413	6,750
Sesame / Poultry Farm	349	2,093	5,580	6,626	6,975
Irrigated Crops / Goat Farm	563	3,375	9,000	10,688	11,250
Farm Area					
Non-Participating					
Small Grains / Goat Farm	-338	-2,025	-5,400	-6,413	-6,750
Maize / Horticulture Farm	-338	-2,025	-5,400	-6,413	-6,750
Sesame / Poultry Farm	-360	-2,160	-5,760	-6,840	-7,200
Irrigated Crops / Goat Farm	-338	-2,025	-5,400	-6,413	-6,750
Participating					
Small Grains / Goat Farm	338	2,025	5,400	6,413	6,750
Maize / Horticulture Farm	338	2,025	5,400	6,413	6,750
Sesame / Poultry Farm	360	2,160	5,760	6,840	7,200
Irrigated Crops / Goat Farm	338	2,025	5,400	6,413	6,750
Cropping Intensity	-	-	-	-	-

Appendix 4 Table 13: Overall SACP – Incremental Production and Inputs

Zimbabwe
Smallholder Agriculture Cluster P
Project Summary

PRODUCTION AND INPUTS (Detailed)

(In Units)

Unit	Increments																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Main Production																				
Maize - OPV	kg	-1,548,250	-4,641,990	-7,735,688	-10,829,303	-12,377,349	-12,377,124	-12,376,854	-12,376,530	-12,376,152	-12,375,729	-12,375,270	-12,374,847	-12,374,469	-12,374,145	-12,373,875	-12,373,650	-12,373,474	-12,373,348	-12,373,276
Maize - Hybrid	kg	1,548,250	4,641,141	9,108,500	14,716,954	19,693,563	23,121,079	25,634,938	26,777,704	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000
Sorghum / pearl millet	kg	-140,750	-410,768	-636,470	-796,022	-770,796	-604,821	-483,123	-427,574	-416,343	-416,343	-416,343	-416,343	-416,343	-416,343	-416,343	-416,343	-416,343	-416,343	-416,343
Cowpea (intercropped)	kg	-42,225	-105,206	-83,775	-63,656	-337,575	-653,719	-885,525	-991,331	-1,012,725	-1,012,725	-1,012,725	-1,012,725	-1,012,725	-1,012,725	-1,012,725	-1,012,725	-1,012,725	-1,012,725	-1,012,725
Groundnut / Bambarra nut	kg	-	35,469	211,625	598,719	1,126,375	1,653,469	2,040,000	2,215,594	2,250,500	2,250,500	2,250,500	2,250,500	2,250,500	2,250,500	2,250,500	2,250,500	2,250,500	2,250,500	2,250,500
Sesame	kg	140,750	425,660	724,638	1,044,710	1,238,338	1,290,935	1,329,475	1,346,922	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300
Pumpkin (intercropped)	kg	-1,590,475	-4,604,683	-6,964,694	-8,343,845	-7,481,731	-5,029,733	-3,231,350	-2,413,826	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500
Goat liveweight	kg LW	-7,882	-57,412	-89,992	-42,716	106,960	401,714	782,066	1,183,750	1,597,870	2,082,872	2,570,054	2,955,962	3,235,024	3,339,742	3,339,742	3,339,742	3,339,742	3,339,742	3,339,742
Eggs	each	1,266,750	4,642,500	10,972,500	20,817,500	30,803,000	38,678,750	43,602,500	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000
Goat manure	kg	-	225,200	1,013,000	2,475,800	4,726,200	7,651,800	10,915,000	14,515,800	18,679,400	23,855,800	29,256,200	33,644,200	36,682,400	37,808,400	37,808,400	37,808,400	37,808,400	37,808,400	37,808,400
Poultry manure	kg	202,680	742,800	1,755,600	3,330,800	4,928,480	6,188,600	6,976,400	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600
Tomatoes	kg	2,252,000	6,779,756	11,418,768	16,280,016	19,226,567	20,324,070	21,741,002	23,268,998	24,685,930	25,783,433	26,477,984	26,839,232	26,978,244	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000
Sugar snap peas	kg	534,850	1,603,741	2,673,194	3,743,914	4,282,702	4,289,032	4,297,893	4,309,146	4,322,789	4,338,965	4,357,531	4,377,926	4,399,024	4,419,419	4,437,985	4,454,161	4,467,805	4,479,057	4,487,918
Forage legume - dryland	kg	563,000	1,723,188	3,024,063	4,535,875	5,626,250	6,153,625	6,540,438	6,716,313	6,751,500	6,751,500	6,751,500	6,751,500	6,751,500	6,751,500	6,751,500	6,751,500	6,751,500	6,751,500	6,751,500
Forage legume - irrigated	kg	2,364,600	7,300,725	13,080,975	20,126,850	25,655,700	28,819,950	31,140,825	32,196,075	32,407,200	32,407,200	32,407,200	32,407,200	32,407,200	32,407,200	32,407,200	32,407,200	32,407,200	32,407,200	32,407,200
Communal grazing	kg DM	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
By Products																				
Maize stover - OPV	kg	-492,625	-1,477,000	-2,461,375	-3,445,750	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375	-3,938,375
Maize stover - hybrid	kg	633,375	1,978,383	3,639,938	5,776,524	7,597,125	8,783,508	9,653,625	10,048,712	10,127,250	10,127,250	10,127,250	10,127,250	10,127,250	10,127,250	10,127,250	10,127,250	10,127,250	10,127,250	10,127,250
Small grains stover	kg	-246,313	-632,938	-808,625	-878,938	-703,375	-386,875	-281,313	-281,313	-281,313	-281,313	-281,313	-281,313	-281,313	-281,313	-281,313	-281,313	-281,313	-281,313	-281,313
Sesame - stover	kg	70,375	212,971	362,600	522,636	619,450	645,608	664,738	673,461	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150
On-Farm Use																				
Maize - Hybrid	kg	-	-	-	-	-	-	-	-	-	47,855	143,480	239,105	334,730	382,585	382,585	382,585	382,585	382,585	382,585
Maize stover - OPV	kg	-281,500	-844,000	-1,406,500	-1,969,000	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500	-2,250,500
Maize stover - hybrid	kg	316,688	989,192	1,819,969	2,888,262	3,798,563	4,391,754	4,826,813	5,024,356	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625
Sorghum / pearl millet	kg	-5,349	-16,036	-26,724	-37,411	-42,760	-42,760	-42,760	-42,760	-42,760	-42,760	-42,760	-42,760	-42,760	-42,760	-42,760	-42,760	-42,760	-42,760	-42,760
Small grains stover	kg	-105,563	-210,938	-105,375	105,563	421,875	738,375	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938
Cowpea (intercropped)	kg	-11,260	-37,983	-64,698	-81,568	-81,578	-66,113	-50,640	-45,010	-45,010	-45,010	-45,010	-45,010	-45,010	-45,010	-45,010	-45,010	-45,010	-45,010	-45,010
Groundnut / Bambarra nut	kg	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forage legume - dryland	kg	0	0	0	0	0	0	0	0	0	844,500	2,532,000	4,219,500	5,907,000	6,751,500	6,751,500	6,751,500	6,751,500	6,751,500	6,751,500
Forage legume - irrigated	kg	0	0	0	0	0	0	0	0	168,900	1,618,325	4,177,700	6,737,075	9,127,850	10,239,775	10,239,775	10,239,775	10,239,775	10,239,775	10,239,775
Communal grazing	kg DM	-182,975	-524,954	-166,744	1,395,226	4,838,463	10,426,521	17,312,750	25,273,007	34,095,488	42,540,875	49,137,238	53,455,400	55,214,513	55,362,300	55,362,300	55,362,300	55,362,300	55,362,300	55,362,300
On-Farm Consumption																				
Maize - OPV	kg	-220,696	-661,696	-1,102,696	-1,543,696	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392	-1,764,392
Maize - Hybrid	kg	230,267	719,105	1,236,605	1,754,105	2,041,747	2,070,460	2,070,460	2,070,460	2,070,460	2,070,460	2,070,460	2,070,460	2,070,460	2,070,460	2,070,460	2,070,460	2,070,460	2,070,460	2,070,460
Sorghum / pearl millet	kg	9,571	57,409	133,909	210,409	277,355	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068
Cowpea (intercropped)	kg	131,742	479,442	911,442	1,343,442	1,643,934	1,728,384	1,728,384	1,728,384	1,728,384	1,728,384	1,728,384	1,728,384	1,728,384	1,728,384	1,728,384	1,728,384	1,728,384	1,728,384	1,728,384
Groundnut / Bambarra nut	kg	18,016	68,654	139,534	216,034	274,550	300,438	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068	306,068
Pumpkin (intercropped)	kg	143,002	783,442	1,944,590	3,272,090	4,456,842	5,144,532	5,311,180	5,311,180	5,311,180	5,311,180	5,311,180	5,311,180	5,311,180	5,311,180	5,311,180	5,311,180	5,311,180	5,311,180	5,311,180
Citrus	kg	91,206	729,486	2,005,396	3,463,396	4,830,354	5,650,884	5,833,296	5,833,296	5,833,296	5,833,296	5,833,296	5,833,296	5,833,296	5,833,296	5,833,296	5,833,296	5,833,296	5,833,296	5,833,296
Green leafy vegetables	kg	54,048	431,162	1,183,882	2,043,382	2,848,930	3,331,794	3,438,764	3,438,764	3,438,764	3,438,764	3,438,764	3,438,764	3,438,764	3,438,764	3,438,764	3,438,764	3,438,764	3,438,764	3,438,764

Overall SACP – Incremental Production and Inputs (Continued)

Zimbabwe
Smallholder Agriculture Cluster P
Project Summary

PRODUCTION AND INPUTS (Detailed)
(In Units)

Unit	Increments																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Sales																				
Maize - OPV	kg	-1,327,554	-3,980,294	-6,632,992	-9,285,607	-10,612,957	-10,612,732	-10,612,462	-10,612,138	-10,611,760	-10,611,337	-10,610,878	-10,610,455	-10,610,077	-10,609,753	-10,609,483	-10,609,258	-10,609,082	-10,608,884	-10,608,857
Maize - Hybrid	kg	1,317,983	4,152,036	7,871,895	12,962,849	17,651,816	21,050,619	23,564,478	24,707,244	24,935,540	24,887,685	24,792,060	24,696,435	24,600,810	24,552,955	24,552,955	24,552,955	24,552,955	24,552,955	24,552,955
Maize stover - OPV	kg	-211,125	-633,000	-1,054,875	-1,476,750	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875	-1,687,875
Maize stover - hybrid	kg	316,688	989,192	1,819,969	2,888,262	3,798,563	4,391,754	4,826,813	5,024,356	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625	5,063,625
Sorghum / pearl millet	kg	-34,625	-95,789	-125,300	-107,560	-23,630	94,924	181,851	221,528	229,551	229,551	229,551	229,551	229,551	229,551	229,551	229,551	229,551	229,551	229,551
Small grains stover	kg	-140,750	-422,000	-703,250	-984,500	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250	-1,125,250
Cowpea (intercropped)	kg	-103,592	-314,815	-522,511	-698,271	-727,737	-630,709	-537,187	-475,571	-456,852	-456,852	-456,852	-456,852	-456,852	-456,852	-456,852	-456,852	-456,852	-456,852	-456,852
Groundnut / Bambarra nut	kg	-18,016	-33,185	72,091	382,685	851,825	1,353,031	1,733,932	1,909,526	1,944,432	1,944,432	1,944,432	1,944,432	1,944,432	1,944,432	1,944,432	1,944,432	1,944,432	1,944,432	1,944,432
Sesame	kg	140,750	425,660	724,638	1,044,710	1,238,338	1,290,935	1,329,475	1,346,922	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300	1,350,300
Sesame - stover	kg	70,375	212,971	362,600	522,636	619,450	645,608	664,738	673,461	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150
Pumpkin (intercropped)	kg	-1,553,317	-4,658,797	-7,441,956	-9,410,607	-9,175,085	-7,221,609	-5,589,874	-4,772,350	-4,609,024	-4,609,024	-4,609,024	-4,609,024	-4,609,024	-4,609,024	-4,609,024	-4,609,024	-4,609,024	-4,609,024	-4,609,024
Goat liveweight	kg LW	-7,882	-57,412	-89,992	-42,716	106,960	401,714	782,066	1,183,750	1,597,870	2,082,872	2,570,054	2,955,962	3,235,024	3,339,742	3,339,742	3,339,742	3,339,742	3,339,742	3,339,742
Eggs	each	1,266,750	4,642,500	10,972,500	20,817,500	30,803,000	38,678,750	43,602,500	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000	45,010,000
Goat manure	kg	-	225,200	1,013,000	2,475,800	4,726,200	7,651,800	10,915,000	14,515,800	18,679,400	23,855,800	29,256,200	33,644,200	36,682,400	37,808,400	37,808,400	37,808,400	37,808,400	37,808,400	37,808,400
Poultry manure	kg	202,680	742,800	1,755,600	3,330,800	4,928,480	6,188,600	6,976,400	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600	7,201,600
Tomatoes	kg	2,252,000	6,779,756	11,418,768	16,280,016	19,226,567	20,324,070	21,741,002	23,268,998	24,685,930	25,783,433	26,477,984	26,839,232	26,978,244	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000	27,006,000
Sugar snap peas	kg	534,850	1,603,741	2,673,194	3,743,914	4,282,702	4,289,032	4,297,893	4,309,146	4,322,789	4,338,965	4,357,531	4,377,926	4,399,024	4,419,419	4,437,985	4,454,161	4,467,805	4,479,057	4,484,248
Forage legume - dryland	kg	563,000	1,723,188	3,024,063	4,535,875	5,626,250	6,153,625	6,540,438	6,716,313	6,751,500	5,907,000	4,219,500	2,532,000	844,500	-	-	-	-	-	-
Forage legume - irrigated	kg	2,364,600	7,300,725	13,080,975	20,126,850	25,655,700	28,819,950	31,140,825	32,196,075	32,238,300	30,788,875	28,229,500	25,670,125	23,279,350	22,167,425	22,167,425	22,167,425	22,167,425	22,167,425	22,167,425
Communal grazing	kg DM	182,975	524,954	166,744	-1,395,226	-4,838,463	-10,426,521	-17,312,750	-25,273,007	-34,095,488	-42,540,875	-49,137,238	-53,455,400	-55,214,513	-55,362,300	-55,362,300	-55,362,300	-55,362,300	-55,362,300	-55,362,300
Purchased Consumption																				
Sorghum / pearl millet	kg	110,348	356,352	618,356	861,460	981,762	963,053	928,282	912,411	909,202	909,202	909,202	909,202	909,202	909,202	909,202	909,202	909,202	909,202	909,202
Cowpea (intercropped)	kg	59,115	231,851	408,009	499,948	497,045	377,844	255,033	216,472	213,798	213,798	213,798	213,798	213,798	213,798	213,798	213,798	213,798	213,798	213,798
Pumpkin (intercropped)	kg	180,160	729,328	1,467,328	2,205,328	2,763,488	2,952,656	2,952,656	2,952,656	2,952,656	2,952,656	2,952,656	2,952,656	2,952,656	2,952,656	2,952,656	2,952,656	2,952,656	2,952,656	2,952,656
Citrus	kg	-	273,618	911,574	1,640,574	2,369,574	2,825,442	2,916,648	2,916,648	2,916,648	2,916,648	2,916,648	2,916,648	2,916,648	2,916,648	2,916,648	2,916,648	2,916,648	2,916,648	2,916,648
Green leafy vegetables	kg	-	161,581	537,941	967,691	1,397,441	1,665,897	1,719,382	1,719,382	1,719,382	1,719,382	1,719,382	1,719,382	1,719,382	1,719,382	1,719,382	1,719,382	1,719,382	1,719,382	1,719,382
Investment																				
Hens (Point of lay) - initial	each	22,520	45,000	45,000	45,000	22,520	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hens (Point of lay) - replacem	each	-	563	2,251	5,064	9,002	12,940	15,753	17,441	18,004	18,004	18,004	18,004	18,004	18,004	18,004	18,004	18,004	18,004	18,004
SACP MG: Household contrib	lump sum	179,034	357,750	357,750	357,750	179,034	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment package	lump sum	1,914,200	3,825,000	3,825,000	3,825,000	1,914,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment replacements	lump sum	-	-	-	-	731,900	1,462,500	2,138,100	2,812,500	2,081,900	2,081,900	2,138,100	1,462,500	2,138,100	2,081,900	2,081,900	2,812,500	2,138,100	1,462,500	731,900

Zimbabwe
Smallholder Agriculture Cluster P
Project Summary

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Overall SACP – Incremental Production and Inputs (Continued)

Zimbabwe
Smallholder Agriculture Cluster P
Project Summary

PRODUCTION AND INPUTS (Detailed)

(In Units)

Unit	Increments																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
T9 twine	999	6,965	19,737	38,724	60,086	76,486	86,079	89,457	89,457	89,457	89,457	89,457	89,457	89,457	89,457	89,457	89,457	89,457	89,457	89,457
Pump fuel	18,016	54,016	90,016	126,016	144,032	144,032	144,032	144,032	144,032	144,032	144,032	144,032	144,032	144,032	144,032	144,032	144,032	144,032	144,032	144,032
Water charges	46,448	160,373	295,373	430,373	519,008	540,120	540,120	540,120	540,120	540,120	540,120	540,120	540,120	540,120	540,120	540,120	540,120	540,120	540,120	540,120
Field lug hire	8,445	25,320	42,195	59,070	67,515	67,515	67,515	67,515	67,515	67,515	67,515	67,515	67,515	67,515	67,515	67,515	67,515	67,515	67,515	67,515
Packhouse lug hire	84,450	253,200	421,950	590,700	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150	675,150
Mechanical land preparation	6,193	18,568	30,943	43,318	49,511	49,511	49,511	49,511	49,511	49,511	49,511	49,511	49,511	49,511	49,511	49,511	49,511	49,511	49,511	49,511
Mechanical bed making	4,926	14,770	24,614	34,458	39,384	39,384	39,384	39,384	39,384	39,384	39,384	39,384	39,384	39,384	39,384	39,384	39,384	39,384	39,384	39,384
Tray rentals	105,563	316,500	527,438	738,375	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938	843,938
Goat vaccines and treatm	-3,378	-9,002	-11,250	-8,998	1,126	19,130	40,510	64,140	91,146	124,906	159,784	187,912	208,166	216,048	216,048	216,048	216,048	216,048	216,048	216,048
Poultry vaccines and treatn	22,520	67,520	112,520	157,520	180,040	180,040	180,040	180,040	180,040	180,040	180,040	180,040	180,040	180,040	180,040	180,040	180,040	180,040	180,040	180,040
Feed supplements - goats	-3,378	-9,002	-11,250	-8,998	1,126	19,130	40,510	64,140	91,146	124,906	159,784	187,912	208,166	216,048	216,048	216,048	216,048	216,048	216,048	216,048
Layer feed	185,227	678,649	1,603,110	3,040,480	4,498,082	5,647,379	6,365,965	6,571,460	6,571,460	6,571,460	6,571,460	6,571,460	6,571,460	6,571,460	6,571,460	6,571,460	6,571,460	6,571,460	6,571,460	6,571,460
Annual mainten. / replac. / r	-	225,200	815,950	1,716,100	2,813,000	3,713,200	4,247,700	4,472,850	4,501,000	4,501,000	4,501,000	4,501,000	4,501,000	4,501,000	4,501,000	4,501,000	4,501,000	4,501,000	4,501,000	4,501,000
Labor																				
Jan female -	2,139	6,527	11,590	18,003	24,306	30,945	39,497	48,723	57,275	63,913	68,077	70,215	71,003	71,116	71,116	71,116	71,116	71,116	71,116	71,116
Feb female -	-17,284	-51,709	-85,459	-117,858	-130,978	-124,340	-115,788	-106,562	-98,010	-91,371	-87,208	-85,069	-84,281	-84,169	-84,169	-84,169	-84,169	-84,169	-84,169	-84,169
Mar female -	-3,181	-9,425	-14,993	-19,211	-18,228	-11,589	-3,038	6,189	14,740	21,379	25,543	27,681	28,469	28,581	28,581	28,581	28,581	28,581	28,581	28,581
Apr female -	6,615	20,059	34,516	50,773	62,677	70,329	79,555	89,007	97,559	104,197	108,361	110,499	111,287	111,400	111,400	111,400	111,400	111,400	111,400	111,400
May female -	11,710	35,223	59,411	84,949	100,823	107,462	116,014	125,240	133,792	140,430	144,594	146,732	147,520	147,633	147,633	147,633	147,633	147,633	147,633	147,633
Jun female -	2,674	10,720	24,617	44,448	66,192	85,715	101,975	114,325	123,439	130,078	134,242	136,380	137,168	137,281	137,281	137,281	137,281	137,281	137,281	137,281
Jul female -	8,445	25,714	44,221	64,641	79,500	88,670	99,191	109,824	118,938	125,577	129,741	131,879	132,667	132,780	132,780	132,780	132,780	132,780	132,780	132,780
Aug female -	7,319	22,057	37,470	54,233	65,715	72,354	80,906	90,132	98,684	105,323	109,486	111,624	112,412	112,525	112,525	112,525	112,525	112,525	112,525	112,525
Sep female -	11,964	35,983	60,677	86,721	102,849	109,487	118,039	127,265	135,817	142,456	146,619	148,758	149,546	149,658	149,658	149,658	149,658	149,658	149,658	149,658
Oct female -	5,630	16,993	29,031	42,419	52,212	58,851	67,403	76,629	85,181	91,820	95,983	98,121	98,909	99,022	99,022	99,022	99,022	99,022	99,022	99,022
Nov female -	9,430	28,387	48,018	69,000	82,594	89,233	97,785	107,011	115,563	122,201	126,365	128,503	129,291	129,404	129,404	129,404	129,404	129,404	129,404	129,404
Dec female -	6,587	19,862	33,813	49,113	59,864	66,503	75,055	84,281	92,833	99,471	103,635	105,773	106,561	106,674	106,674	106,674	106,674	106,674	106,674	106,674
Jan male -	253	872	2,166	4,811	9,228	15,867	24,418	33,645	42,196	48,835	52,999	55,137	55,925	56,037	56,037	56,037	56,037	56,037	56,037	56,037
Feb male -	-11,485	-34,323	-56,485	-77,296	-84,618	-77,979	-69,428	-60,201	-51,650	-45,011	-40,847	-38,709	-37,921	-37,808	-37,808	-37,808	-37,808	-37,808	-37,808	-37,808
Mar male -	-1,942	-5,711	-8,804	-10,547	-8,326	-1,687	6,864	16,091	24,642	31,281	35,445	37,583	38,371	38,484	38,484	38,484	38,484	38,484	38,484	38,484
Apr male -	4,926	14,995	26,077	38,959	49,174	56,826	66,052	75,504	84,056	90,694	94,858	96,996	97,784	97,897	97,897	97,897	97,897	97,897	97,897	97,897
May male -	9,993	30,075	50,831	72,938	87,095	93,734	102,286	111,512	120,064	126,702	130,866	133,004	133,792	133,905	133,905	133,905	133,905	133,905	133,905	133,905
Jun male -	4,223	15,362	32,353	55,277	78,570	98,092	114,352	126,702	135,817	142,456	146,619	148,758	149,546	149,658	149,658	149,658	149,658	149,658	149,658	149,658
Jul male -	7,601	22,901	38,876	56,202	67,966	74,605	83,156	92,383	100,934	107,573	111,737	113,875	114,663	114,776	114,776	114,776	114,776	114,776	114,776	114,776
Aug male -	7,319	22,057	37,470	54,233	65,715	72,354	80,906	90,132	98,684	105,323	109,486	111,624	112,412	112,525	112,525	112,525	112,525	112,525	112,525	112,525
Sept male -	9,712	29,231	49,425	70,969	84,845	91,483	100,035	109,261	117,813	124,452	128,615	130,754	131,542	131,654	131,654	131,654	131,654	131,654	131,654	131,654
Oct male -	8,783	26,445	44,783	64,472	77,418	84,057	92,608	101,835	110,386	117,025	121,189	123,327	124,115	124,228	124,228	124,228	124,228	124,228	124,228	124,228
Nov male -	-5,377	-16,008	-25,964	-34,569	-35,782	-29,143	-20,592	-11,365	-2,814	3,825	7,989	10,127	10,915	11,027	11,027	11,027	11,027	11,027	11,027	11,027
Dec male -	6,306	19,018	32,406	47,144	57,614	64,252	72,804	82,030	90,582	97,221	101,384	103,523	104,311	104,423	104,423	104,423	104,423	104,423	104,423	104,423
Hired labour - Planting	1,408	4,220	7,033	9,845	11,253	11,253	11,253	11,253	11,253	11,253	11,253	11,253	11,253	11,253	11,253	11,253	11,253	11,253	11,253	11,253

Appendix 4 Table 14: Overall SACP – Incremental Economic Budget

Zimbabwe
Smallholder Agriculture Cluster Project
Project Summary
ECONOMIC BUDGET (AGGREGATED)
(In USD '000)

	Increments																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Main Production																				
Field crops	28	187	762	1,959	3,543	5,099	6,239	6,758	6,861	6,862	6,862	6,862	6,862	6,862	6,862	6,862	6,862	6,862	6,862	6,862
Food crops	-394	-1,140	-1,724	-2,065	-1,852	-1,245	-800	-597	-557	-557	-557	-557	-557	-557	-557	-557	-557	-557	-557	-557
Livestock products	100	364	933	1,904	3,023	4,122	5,064	5,756	6,387	7,151	7,935	8,565	9,009	9,175	9,175	9,175	9,175	9,175	9,175	9,175
Horticulture	1,566	4,705	7,876	11,113	12,886	13,213	13,637	14,096	14,527	14,871	15,103	15,242	15,318	15,361	15,393	15,421	15,444	15,464	15,479	15,490
Fodder & forage crops	732	2,256	4,026	6,166	7,820	8,743	9,420	9,728	9,790	9,790	9,790	9,790	9,790	9,790	9,790	9,790	9,790	9,790	9,790	9,790
Sub-total Main Production	2,032	6,373	11,873	19,077	25,421	29,933	33,560	35,741	37,009	38,116	39,132	39,901	40,422	40,631	40,663	40,691	40,714	40,733	40,749	40,759
On-Farm Use																				
Field crops	-5	-15	-25	-33	-35	-30	-26	-25	-25	-12	13	38	63	76	76	76	76	76	76	76
Fodder & forage crops	-0	-0	-0	0	0	1	2	3	46	620	1,682	2,744	3,764	4,253	4,253	4,253	4,253	4,253	4,253	4,253
Sub-Total On-Farm Use	-5	-15	-25	-33	-34	-29	-24	-22	21	608	1,695	2,783	3,827	4,329	4,329	4,329	4,329	4,329	4,329	4,329
On-Farm Consumption																				
Field crops	50	203	413	628	792	854	859	859	859	859	859	859	859	859	859	859	859	859	859	859
Food crops	90	629	1,677	2,875	3,983	4,642	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792	4,792
Sub-Total On-Farm Consumption	140	832	2,090	3,503	4,775	5,496	5,651	5,651	5,651	5,651	5,651	5,651	5,651	5,651	5,651	5,651	5,651	5,651	5,651	5,651
Net Value Of Production	1,896	5,555	9,808	15,607	20,680	24,466	27,934	30,112	31,337	31,858	31,786	31,468	30,944	30,651	30,683	30,711	30,734	30,754	30,769	30,780
Purchased Consumption																				
Field crops	48	167	291	387	421	384	340	325	324	324	324	324	324	324	324	324	324	324	324	324
Food crops	45	344	907	1,524	2,097	2,415	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469
Sub-Total Purchased Consumption	93	511	1,198	1,911	2,518	2,799	2,810	2,795	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793	2,793
INFLOWS	1,803	5,045	8,611	13,696	18,162	21,667	25,124	27,318	28,544	29,065	28,993	28,675	28,151	27,858	27,890	27,918	27,941	27,961	27,976	27,987
Production Cost																				
Investment																				
Other inputs	171	346	359	380	240	98	120	133	137	137	137	137	137	137	137	137	137	137	137	137
Investments	2,093	4,183	4,183	4,183	2,825	1,463	2,138	2,813	2,082	2,082	2,138	1,463	2,138	2,082	2,082	2,813	2,138	1,463	732	-
Sub-total Investment Costs	2,264	4,529	4,542	4,563	3,065	1,561	2,258	2,945	2,219	2,219	2,275	1,599	2,275	2,219	2,219	2,949	2,275	1,599	869	137
Operating																				
Purchased Inputs																				
Planting materials	132	397	662	926	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059	1,059
Agrochemicals	682	2,062	3,513	5,191	6,257	6,514	6,823	6,903	6,794	6,915	6,915	6,794	6,883	6,852	6,731	6,821	6,821	6,731	6,821	6,821
Other inputs	18	334	1,191	2,564	4,201	5,577	6,422	6,761	6,829	6,881	6,934	6,976	7,007	7,019	7,019	7,019	7,019	7,019	7,019	7,019
Sub-Total Purchased Inputs	832	2,793	5,365	8,682	11,517	13,150	14,303	14,723	14,682	14,854	14,907	14,829	14,950	14,930	14,809	14,899	14,899	14,809	14,899	14,899
Labor																				
Female labor	99	305	538	812	1,040	1,223	1,438	1,657	1,854	2,005	2,100	2,149	2,167	2,170	2,170	2,170	2,170	2,170	2,170	2,170
Male labor	77	237	424	651	853	1,031	1,242	1,458	1,654	1,806	1,901	1,949	1,967	1,970	1,970	1,970	1,970	1,970	1,970	1,970
Hired labour	4	12	20	28	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Sub-Total Hired Labor	179	554	982	1,491	1,925	2,286	2,711	3,147	3,540	3,843	4,033	4,131	4,166	4,172	4,172	4,172	4,172	4,172	4,172	4,172
Sub-total Operating Costs	1,012	3,347	6,347	10,172	13,442	15,436	17,015	17,870	18,222	18,697	18,940	18,960	19,116	19,102	18,981	19,071	19,071	18,981	19,071	19,071
Sub-Total Production Cost	3,276	7,876	10,889	14,736	16,507	16,997	19,272	20,815	20,441	20,916	21,215	20,559	21,391	21,321	21,200	22,020	21,346	20,580	19,939	19,208
OUTFLOWS	3,276	7,876	10,889	14,736	16,507	16,997	19,272	20,815	20,441	20,916	21,215	20,559	21,391	21,321	21,200	22,020	21,346	20,580	19,939	19,208
Cash Flow	-1,473	-2,832	-2,278	-1,039	1,655	4,670	5,852	6,503	8,103	8,149	7,778	8,116	6,760	6,537	6,690	5,898	6,596	7,380	8,036	8,779
Net Economic Benefits	-1,333	-1,999	-188	2,463	6,430	10,166	11,503	12,153	13,754	13,799	13,429	13,767	12,411	12,188	12,341	11,548	12,246	13,031	13,687	14,430

VII. APPENDIX 5 – SACP ECONOMIC DISCOUNTED CASHFLOW

Cost Benefit Analysis - Cashflows and Indicators

USD thousands

Selected years	Incremental benefits ¹	Invest Costs	Recurrent Costs	Adjustments and Post SACP ²	Total incremental costs	Net incremental benefits
1	(2,083)	7,355	569	(937)	6,987	(9,070)
2	(3,123)	12,196	520	(4,685)	8,031	(11,155)
3	(294)	18,391	559	(9,369)	9,581	(9,875)
4	3,848	17,480	455	(2,811)	15,124	(11,276)
5	10,047	5,829	455	(937)	5,347	4,700
6	15,884	155	455	-	609	15,275
7	17,973	-	-	1,359	1,359	16,614
8	18,989	-	-	1,359	1,359	17,630
9	21,491	-	-	1,359	1,359	20,131
10	21,561	-	-	1,359	1,359	20,202
11	20,983	-	-	1,359	1,359	19,624
12	21,511	-	-	1,359	1,359	20,152
13	19,392	-	-	1,359	1,359	18,033
14	19,044	-	-	1,359	1,359	17,685
15	19,283	-	-	1,359	1,359	17,924
16	18,044	-	-	1,359	1,359	16,685
17	19,134	-	-	1,359	1,359	17,775
18	20,361	-	-	1,359	1,359	19,002
19	21,386	-	-	1,359	1,359	20,027
20	22,547	-	-	1,359	1,359	21,188
ENPV @ 10% USD million						56.49
EIRR						25.0
BCR						2.42
Switching value benefits						(59%)
Switching value costs						142

¹ Source: Appendix 4 Table 15: Overall SACP – Incremental Economic Budget plus non-APG benefits @ 25% of APG benefits.

² Provision to avoid double counting of APG matching grant, MSME/Lead enterprise recurrent costs and post SACP infrastructure recurrent costs.

VIII. APPENDIX 6 – OVERVIEW OF RURAL ROAD BENEFITS

Benefits	Resulting from
Changed patterns of production/increased area	Introduction/expansion of higher value crops which become financially viable due to improved market access and reduced losses
Increased agricultural productivity	Increased availability and reduced cost of inputs.
	Increased access to support services, including extension.
Increased marketed output	Better access to markets due to improved accessibility throughout the year.
Increased producer prices	(i) Reduced transport costs; and (ii) higher quality of produce due to timely transportation and reduced losses during transport.
Reduced losses (on-farm before transport and during transport)	Reduced transport time and accessibility throughout the year.
Increased profits for vehicle operators	Reduction in vehicle operation and maintenance costs. Time savings. Opportunities for increased business (volumes transported).
Social benefits	Increased access to health and other social services, and information.

Zimbabwe

Smallholder Agriculture Cluster Project

Project Design Report

Annex 5: Social Environment and Climate Assessment (SECAP) Review Note

Mission Dates: 25 May - 19 June 2020
Document Date: 28/01/2021
Project No. 2000002341
Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department

Annex 5: SACP SECAP

1. Introduction

The Social Environment and Climate Assessment Procedures (SECAP) Review Note details the analysis of the social and environmental and climate change risks and opportunities of SACP. The Note outlines the contextual background and recommends risk management and opportunities maximisation. The Review Note has been produced mainly using literature review of national strategies and surveys conducted. The environment and climate change analysis also drew on the national commitments and targets from the multilateral conventions. Primary data was collected during discussions with national officers. However, no site visits to potential intervention areas were conducted due to the remote nature of the design. Therefore, some ground truthing will be required during the initial phases of implementation. However, the engagement will be continued throughout the project life cycle particularly through the business plan development and APG organisation and mobilisation activities and social assessments and baselines that will be undertaken as part of the cluster identification and validation.

2. Situational analysis and potential project impacts

2.1 Socio-economic and nutritional assessment

Overall poverty situation

Zimbabwe's population stands at 13,572,560 persons (6,514,829 males and 7,057,731 females (2017)) with an average household size of 4.2 persons¹. SACP will be implemented in the five out of the ten country's provinces²: Mashonaland Central, Mashonaland East, Mashonaland West Midlands and Matebeleland North. Within these five targeted provinces, SACP will be implemented in 18 out of the 60 rural districts³ in Zimbabwe. The districts are further broken down into wards and SACP will be implemented in 428 out of the 1,552 rural farming wards in Zimbabwe. The total population in the 5 provinces is 6,363,090 people (51.6 per cent women). Midlands has the highest population of 1,614,941 people, followed by Mashonaland West with 1,501,656 people, Mashonaland East and Matebeleland North has the least population. Mashonaland Central has the largest population in rural areas (93.8 per cent) followed by Matebeleland North (91 per cent), Mashonaland East (86 per cent), Midlands (75.4 per cent) and Mashonaland West (75 per cent).

Zimbabwe has three main rural land use sectors (Table 1).

(i) Smallholder farming areas, consisting of:

- Communal lands where farmers have areas for cropping and common grazing lands; production is mainly for subsistence with the surplus being sold to the market. The population makes up about 51% and occupies 42% of total arable land area,
- Old Resettlement Schemes (redistribution programme from 1982 to 1998): This involved 'willing buyer willing seller' approach and resettled farmers from

¹ ZIMSTAT (2017) Intercensal Demographic Survey (IDCDS)

² Manicaland, Mashonaland East, Mashonaland West, Mashonaland Central, Matebeleland North, Matebeleland South, Midlands, Masvingo, Harare and Bulawayo

³ Matebeleland North Province (Hwange; Binga, Nkayi, and Lupane districts); Mashonaland West (Chegutu, Mhondoro-Ngezi, Zvimba, and Sanyati districts); Mashonaland Central (Rushinga, Mt Darwin, Muzarabani and Shamva districts); Mashonaland East (Goromonzi, Murehwa, Mutoko, and UMP districts); Midlands (Chirumanzu, Kwekwe)

communal lands on an individual family basis or as co-operatives. Five models, A to E, have been used in these schemes, and

- **A1 Farms**, which include an individual family farm of at least six hectares (depending on natural regions) plus a common grazing land for livestock. The homesteads are in villages and farmers have fields at a designated area.

(ii) **Small Medium Scale Commercial Farming Areas** consisting of:

- A2 Farms where an individual has a farm for crop and livestock production (no common grazing land). Farmers, males or both spouses jointly or females in their own right, are given offer letters and 99 years lease agreements issued; and
- Small Scale Commercial Farming Areas consisting of approximately 9,655 farms with an average size of 148 hectares. Small Scale Commercial Farms occupy 4% of all arable land and farmers have title deeds or lease with option to purchase deed of grant.

(iii) **Large Scale Commercial Farming Areas** consisting of farming areas occupied by white commercial farmers, state farms, forests and national parks.

Table 1: Zimbabwe Land Classification

Farmer Cluster	Land Category	1980		2010		
		Area (million ha)	%	Area (million ha)	%	No. of farmers
Smallholder Farmers	Communal	16.4	41.9	16.4	41.9	1,000,000
	Old resettlement	0		3.5	9	72,000
	New resettlement A1	0		4.1	10.5	141,656
Small-Medium Scale Commercial	New resettlement A2	0		3.5	9	8,000
	Small- Scale Commercial Farms	1.4	3.6	1.4	3.6	14,072
Large Scale Commercial	Large Scale Commercial Farms	15.5	39.6	3.4	8.7	4,317
	State Farms	0.5	1.3	0.7	1.8	
	Urban land	0.2	0.5	0.3	0.8	
	National Parks and forest land	5.1	13.0	5.1	13.0	
	Unallocated land	0	0	0.7	1.8	

Source: Ministry of Lands Agriculture, Water and Rural Resettlement

Agriculture is the backbone of the Zimbabwean economy and is dependent on rainfall, making the economy susceptible to weather or climate variations. Maize is the main staple crop, widely grown by both commercial and communal farmers. Tobacco is the largest foreign currency earner, while cotton is the second major cash crop. Other major crops grown include sugar beans, sunflower, small grains, cowpeas and horticulture.

Poverty situation. Poverty rates (Table 2) are increasing with 76.9 per cent of the rural households being poor compared to 30.4 per cent of urban households⁴. The majority of the population lives in rural areas with livelihoods mainly based on rain-fed agricultural production, characterised by low input use and low productivity.

⁴ World Bank 2019

Table 2: Poverty prevalence and extreme poverty prevalence by province (targeted provinces are shaded)

Province	Population	Poverty Prevalence %	Extreme Poverty Prevalence %	Proportion of rural poor households %	Rural poverty prevalence %
Mashonaland Central	1,152,520	81.6	41.2	16.1	84.7
Matebeleland North	749,017	74.3	33.3	12.5	78.6
Mashonaland West	1,501,656	71.1	31.6	10.5	82.7
Manicaland	1,752,698	71.0	27.9	12.2	78.7
Mashonaland East	1,344,955	65.6	22.2	14.0	71.3
Masvingo	1,485,090	64.8	20.7	10.0	71.5
Midlands	1,614,941	63	21.8	11.9	77.6
Matebeleland South	683,893	62.8	17.8	11.0	68.5
Harare	2,123,132	31.1	3.8		
Bulawayo	653,337	22.3	0.9		
Total	13,061,239				76.9

Source: PICES 2017

Households headed by communal and resettlement farmers suffer from the greatest poverty prevalence, 82.9 per cent (40.0 per cent extreme) compared to households from other farm clusters (Table 1). Rural poverty is most prevalent in communal lands, 79.2 per cent of which 34.0 per cent is extreme, followed by resettlement areas, 76.4 per cent and 29.9 per cent extreme. In rural areas, communal and resettlement farmers constituted 80.6 per cent of the economically active population⁵.

HIV prevalence rates have declined from 25 per cent in 2010 to 18 per cent in 2005 and 15 per cent in 2018. While there is a reduction in the prevalence of HIV and AIDS household economies continue to be affected. The prevalence rate is highest in Matebeleland North 18 per cent. Mashonaland East 16 per cent, Mashonaland West 15 per cent, Midlands 15 per cent and Mashonaland Central 14 per cent ⁶.

Economic situation. Recently, Zimbabwe's economy has been characterized by macroeconomic imbalances such as a high budget deficit, balance of payment deficits, inflation and low economic growth. Inflation is rising sharply. The country is currently facing foreign currency shortages, cash shortages and fuel shortages. The Transitional Stabilisation Programme, introduced in October 2018, and which draws on the Vision 2030 to address the above challenges, is expected to end in December 2020.

Due to the decline in formal employment, many workers are engaged in poorly remunerated informal jobs, remittance income and gold panning. As a result, economic activity has contracted, social indicators have deteriorated with an estimated 8 million people (more than half of the population) expected to be food insecure in 2020⁷. The food insecurity is exacerbated by the recurring droughts, reducing maize the staple crop yields to less than a ton per hectare, forcing the majority of the rural population to rely on food assistance. Dilapidated infrastructure for the transport, storage and handling of food needs to be repaired or replaced. Opportunities exist for partnerships involving the Government, farmers, the food industry, development agencies and non-governmental organisations⁸.

Gender. Despite significant achievements in gender equality, through the various measures and institutions, the country still has a long way to go in terms of women's economic empowerment and financial inclusion. In 2018, Zimbabwe scored 0.563 on the Human Development index and was ranked 150 out of 180 countries. It scored 0.525 and

⁵ ZIMSTAT (2019) Zimbabwe Poverty Report

⁶ National Aids Council of Zimbabwe (2019)

⁷ IMF (2020)

⁸ <https://www.usaid.gov/zimbabwe/food-assistance> 2020

was ranked 126 out of 162 countries on the Gender inequality Index (GII)⁹ and was ranked 47th out of 153 countries on the Global Gender Gap, with a score of 0.730¹⁰.

Approximately 80 per cent of women in Zimbabwe live in communal areas where they constitute 61 per cent of the subsistence farmers and provide 70 per cent of the labour. Female-headed households (FHH) are mostly categorised as poor and comprise of 35 per cent of total households population in Zimbabwe¹¹. Zimbabwe has high literacy rates, 89 per cent for males and 88 per cent for females¹². Poverty prevalence among rural men is 85.6 per cent and 86.3 per cent for women compared to 37.7 per cent and 36.5 per cent for the urban male and female¹³.

Women in Zimbabwe are faced with a number of constraints along the agricultural value chains, including: (i) Production: lack of land ownership, land grabbing by male relatives, low paid employment, limited assets, limited access to credit due to lack of collateral security, lack of livestock ownership, limited security of tenure resulting from discriminatory customary laws¹⁴, large share of agricultural labour, low paid employment; (ii) Markets: lack of facilities, safety issues, limited agricultural information and unfair prices; (iii) Transportation: unsafe transportation, travelling at night; (iv) Limited participation in decision making processes: at HH and community, farm management, investments, community development, and (v) vulnerability to climate change impacts due to underlying existing power relations, structures, gender inequalities and lower adaptive capacity. Women have less opportunities compared to men to attend training/extension services in relation to climate information, awareness raising on the importance and effects of climate change and knowledge gaps regarding climate smart agriculture/technologies. When women are invited, they first have to seek permission or negotiate to participate in capacity building activities. Addressing these constraints will assist to close the gender gap in agricultural production for instance through contract farming.

Zimbabwe's commitment towards the promotion of Gender Equality and Women Empowerment (GEWE) is illustrated by ratification and signature of international and regional conventions and declarations. Domestically, various legislative reforms and policy frameworks have been introduced aligned with the Sustainable development Goals (SDGs) No 5 on Gender Equality, the 2013 National Gender Policy and 2013 Constitution for Zimbabwe that includes women's rights as part of the Bill of Rights.

Despite the efforts to address gender inequalities and other gender-related challenges, violence against women and girls remains prevalent; the pace of economic advancement and empowerment is slow; there are high rates of child marriage, youth pregnancy and maternal mortality; and young women and adolescent girls are highly vulnerable to HIV and sexually transmitted infections. These inequalities are manifested in consistently low representation of women in leadership and decision-making positions in the public and private sectors; comparatively low levels of female participation in the labour market; incidences of child labour; over- representation of women in the informal economy; and low access to productive resources, such as land, housing and mineral wealth.

Division of Labour. Rural women work long hours, spending at least 49 per cent of their time on agricultural activities and about 25 per cent on unpaid domestic work¹⁵. On average women work five hours more than men in both the dry and rainy season to fulfil both their reproductive and productive roles (SNV 2017). Reproductive roles such as

⁹ http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/ZWE.pdf

¹⁰ http://www3.weforum.org/docs/WEF_GGGR_2020.pdf

¹¹ MLARR (2019) Gender Equality and Women's Empowerment Framework.

¹² <http://uis.unesco.org/en/country/zw>

¹³ RBZ (2018) Women Empowerment and Financial Inclusion

¹⁴ FAO (2017) Zimbabwe Country Gender Assessment Report. <http://www.fao.org/3/a-i6997e.pdf>

¹⁵ FAO, 2017 Country Gender Assessment of Agriculture and the Rural Sector

cooking, washing, sweeping, fetching water and firewood are regarded as women's roles. In some communities, women travel long distances in search of firewood. Due to climatic changes, water bodies are drying up and women have to travel long distances in search of water, a time-consuming process. Women mostly fetch water and firewood using their heads and this is physically burdensome and has long-term health effects. Fetching water and firewood is mostly done by men from households with access to labour-saving technologies such as wheelbarrows and ox-drawn carts. Traditionally men and women have defined productive roles although some of those roles intersect. Women's reproductive roles as well as agriculture activities in the cultivation of other food crops limit the time available for processing of vegetables (FAO, 2017). Women are responsible for food and nutrition security for the household including the cultivation of food crops and preparation of meals.

Access and control over assets. Land ownership favours men in communal areas; women can only access land through their husbands or a male relative. FHHs average arable land holding is lower than male-headed households. Only 13.9 per cent of the large commercial farms are owned by women, while 34.5 per cent of land in the communal area are female owned. Women own 3.5 per cent and 16.3 per cent of A2 and A1 farms respectively.¹⁶

Men dominate in livestock ownership and production, making decisions on their management, use and disposal. Livestock ownership is gendered, as 45 per cent of men own cattle compared to 23 per cent of women, and about 63 per cent of the women own poultry compared to 13 per cent of men in Matebeleland North¹⁷. Women prefer to own small livestock, mainly goats and chickens mainly because in addition to providing meat, milk, eggs and manure, they could be easily sold or bartered for food or labour in times of need. Men make decisions on the use of veterinary technologies associated with large livestock and they put more man-hours in the production of these livestock than women and children¹⁸.

Decision making roles in rural households. Women have limited participation in decision-making processes at both household and community levels. Men make decisions around farm management, investments, community development. At household level, landowners remain decision makers despite minimal involvement in fieldwork; while women contribute to production, harvesting, processing, they have limited opportunities to claim benefits of their labour. Investing in women empowerment can advance gender equality across various activities and institutions along selected value chains and thus contribute to an increased number of women who can make strategic life choices, which is an essential driver for inclusive food systems.

Gender Strategy in SACP

The involvement of women in APGs, Microenterprises and Agribusiness enterprises in the matching grant facility for the development of value chains provides an opportunity for developing a gender strategy that includes the following:

(i) Gender Action Learning System (GALS) approach will be adopted for achieving gender transformation. This community-led empowerment methodology can be complementary to a food system or a value chain development approach. Poor women and men are put in the centre of GALS and are perceived as drivers and shapers of their own development rather than victims. Through participatory processes and simple mapping and diagram tools, men and women jointly identify and address obstacles in their environment. This enforces them to have more control over their personal, household, community and organisational development to improve income, food and nutrition security

¹⁶ MLARR (2019) Gender Equality and Women's Empowerment Framework.

¹⁷ FAO (2017) Zimbabwe Country Gender Assessment Report. <http://www.fao.org/3/a-i6997e.pdf>

¹⁸ <http://www.fao.org/3/a-i6997e.pdf>

in a gender-equitable way. Ultimately, GALS can promote collaboration between vulnerable and powerful value chain actors.¹⁹

(ii) Alleviating the women's workload and improving their well-being. Facilitating women's access to CSA technology that does not increase the workload for women, carrying out training close to their homes, arranging for child-care sessions to facilitate women's participation in training while easing their workload. The use of GALS will ensure that both the men and women are targeted at the same time, while also providing an opportunity to question unequal gender relations within the household. A Women's Empowerment in Agriculture Index (WEAI) baseline survey will be undertaken in order to understand the women's role and needs in terms of the five domains of empowerment: production, leadership, income, resources and time poverty. These are in line with IFAD's policy on gender equality and women's empowerment focusing on economic empowerment, decision making and representation and workload balance.

(iii) Strengthen the capacities of BDS providers to operate in a gender sensitive manner and increase women's access to information, knowledge and skills necessary to run their enterprises. SACP will appoint gender and social inclusion staff as part of the NPMU and the four PPIUs. Community gender sensitisation training by Agritex will ensure availability of mentoring and coaching services to women and men throughout the project life.

(iv) Women will account for a minimum of 50 per cent project beneficiaries, with adequate participation and representation in decision making committees across all the project components. Component 1, training should not only address technical skills (e. g business skills and entrepreneurship), but also soft skills that act as a barrier for the participation of women including confidence building, leadership skills, reproductive health rights and Gender Based Violence (GBV).

Youth aged between the ages of 15 and 35²⁰ make up 36% of Zimbabwe's population²¹. This presents a demographic dividend, which the country is yet to fully harness, as evidenced by the rising youth unemployment in both urban and rural areas. About 48.9% of rural male and 55.2% of rural female youths are unemployed²². Unemployment rates for the 15-24 age group for both sexes is about 27 percent. The rate for rural areas (29.5%) is higher compared to that of urban areas (23.9%). Female unemployment rate is high (30.3%) as compared to males (24.6%).

Young men are more likely to secure employment compared to young women in Zimbabwe. Formal employment is diminishing in both urban and rural areas; accompanied by a sharp increase in the cost of living this is driving high rates of migration of rural youth to urban areas or neighbouring South Africa and Botswana. In addition, many youths that leave the rural areas to acquire university education or other vocational training do not return to the rural areas upon gaining their qualifications. High levels of youth migration and brain drain are major challenges to effective youth inclusion in several development initiatives including the IFAD funded Smallholder Irrigation Revitalization Programme.

In urban areas, many youths are turning to informal trading and entrepreneurship – such opportunities are limited in rural areas. The likely rural economic opportunities largely lie in agriculture; however, youth associate agriculture with old poor people, high labour demands and low-income returns²³. Distribution of employed 1.5 million youths, aged 15–35, shows that about 37 per cent (41 per cent males and about 32 per cent females) were

¹⁹ Wageningen (2020)

²⁰ The 2013 national youth policy defines youth as persons between 15 and 35 years of age. This age range is stipulated in the new Constitution and is also in line with the continental definition of youth as defined in the African Youth Charter.

²¹ Zimbabwe Youth Investment Case Study: Business Key Findings Report (2016)

²² Zimstat (2019). Labour force and child labour survey

²³ <https://www.linkedin.com/pulse/future-through-looking-glass-africas-youth-taking-up-role-farai-qwelo/>

employed in agriculture, forestry and fishery industry and nearly 36 per cent had elementary occupations (38 per cent males and 33 per cent females). Approximately 16.7 per cent males and 19.9 per cent females were employed as skilled workers in these sectors. About 11 per cent males and 28 per cent females were employed in retail, sale and repair of motor vehicles and motorcycles. The age group 15–19 years had the highest percentage of youths with elementary occupations (51 per cent) (Labour Force Survey 2019).

Zimbabwean youth are highly motivated and willing to participate in ventures that have quick and higher returns per dollar invested²⁴. Considering that 64.4 per cent of the working age population resides in rural areas²⁵, where agriculture is the main economic driver, agriculture value chain innovation is important for capturing interest. HarvestPlus reported successful youth inclusion in its quick-wins and high returns iron bean value chain²⁶.

Youth in Zimbabwe are among the poorest in the world, with the majority of working youth earning less than USD 2 per capita per day²⁷. Their low ownership of productive resources such as land, other immovable assets or capital; lack of interest in primary production; mismatch of skills with industry requirements and lack of business skills demands for new ways of including youth in economic activities²⁸. Goal 1 of the Revised National Youth Policy for Zimbabwe (2013)²⁹ identifies five entry points to empower the youth to participate and contribute to socio-economic development. These include provision of work for all young men and women; assisting youth in attaining the knowledge, skills and experiences required to enable them to effectively participate in national development; paying special attention to empowering previously marginalised young women and girls, youth with disabilities, youth living with HIV, out of school youth and youth living in rural areas; involving youth at the planning, decision making, implementation and evaluation levels of all youth development programmes; and promoting gender equality and equity among youth.

Indigenous peoples (IPs). There is no specific policy on IPs in Zimbabwe, since the Government considers all Zimbabweans to be indigenous. However, there are tribes that define themselves as indigenous. The San (Tshwa) people have lived nomadically and are found in Matebeleland region. There is a population of around 2,500 in Zimbabwe, and the group is located in the area of Tsholotsho close to the border of Botswana. The Doma (1,050 people) are found in Gururwe and Mbire districts, Mashonaland Central and Karoi district in Mashonaland West province. Originally hunters and gatherers, this community has been faced with varying challenges in maintaining their livelihoods and integrating into the surrounding communities. Tsholotsho district is home to an estimated 1,500 San people and the remaining 800-1,000 are settled in Bulilima-Mangwe in Matebeleland South. The San constitute 2 per cent of Tsholotsho's population, where 50 per cent is Kalanga and 48 per cent is Ndebele (Madzudzo 2001). The vast majority of Tshwa are landless an important problem facing them along with poverty. The Tshwa were removed from the Wankie Game Reserve in the late 1920s and early 1930s. The risks faced by the Tshwa include joblessness, homelessness, marginalization, food insecurity, increased morbidity and mortality, loss of access to common property assets and social disarticulation. There is high illiteracy, food insecurity, increased number of orphans, lack of identification documents and poor nutrition among the Tshwa. The young male find work as gardeners in Bulawayo and neighbouring Botswana but the low education limits

²⁴ UNICEF (2016). Zimbabwe Youth Investment Case Study Business Key Findings Report.

²⁵ Zimstat (2019). Labour Force And Child Labour Survey

²⁶ Bakker et al., (2020) Pre-Design Report "Climate adaptation and mitigation measures for nutrition co-benefits in IFAD investments in Zimbabwe". Wageningen Centre for Development Innovation. Wageningen.

²⁷ <https://www.ohchr.org/Documents/Issues/Youth/ZimbabweHRCommission.pdf>

²⁸ <https://www.o4z.org.zw/index.php/news/308-challenges-faced-by-youth-entrepreneurs-in-zimbabwe>

²⁹ https://www.youthpolicy.org/wp-content/uploads/library/2013_YouthPolicy_Zimbabwe_Eng.pdf

their mobility. SACP will proactively engage with the representatives of these peoples, ensuring free prior and informed consent (FPIC).

Marginalised groups. According to the 2013 National Survey on Living Conditions among Persons with Disabilities (PWD) in Zimbabwe, the prevalence of disability in the country is estimated to be 7 per cent, amounting to approximately 914,267 persons. The large population of PWD are children and young people, 600,000 (UNICEF). The disability population of males is estimated to be 56 per cent while females make up 44 per cent. Around 52 per cent of disabled children have access to education. However, learners with disability face attitudinal and physical barriers in accessing education. About 835 of women with disability and 74 per cent of male with disability are unemployed. Many disabled persons have difficulties in accessing health facilities; in particular, women with disabilities face challenges in accessing sexual and reproductive health.

People living with disability are also vulnerable to food insecurity and accessing water and sanitation facilities. According to ZIMSAT (2019), the prevalence of poverty among the disabled people is 74.1 per cent compared to 69.5 per cent for non-disabled. Other unrenderable groups include households that are vulnerable to nutrition mainly FHH, child headed households, households headed by the aged, uneducated, chronically ill and households belonging to the apostolic religious sect. PWD will benefit from nutrition sensitive education and increased employment opportunities that are likely to result from SACP interventions. These groups will be integrated in the APGs.

Nutrition. Zimbabwe is in a food and nutrition security crisis, with 56 of the country's districts experiencing 'crisis' hunger³⁰. Recent media reports claim the country has run out of food stocks³¹. The country's stunting average is 26.2 per cent and in the SACP target areas, Mashonaland Central (27 per cent) has the highest stunting prevalence³². Underweight and wasting are also high across all the provinces with Mashonaland Central and West having the highest prevalence of underweight (10 per cent) while Mashonaland Central and Matabeleland North have the highest prevalence of wasting (3.3 per cent) among under-five children. The prevalence of all these three indicators is higher in rural areas compared to urban areas with children in the poorest households (28 per cent) being twice more likely to be stunted than those in richest (14 per cent)³³. This can be attributed to the inadequate dietary diversity that often follows the timely introduction of complimentary foods, particularly in the rural areas. Average women's dietary diversity in the SACP target areas is five in Mashonaland East and four in Mashonaland Central and West and Matabeleland North.

Groups that are highly vulnerable to malnutrition in Zimbabwe include child-headed households, orphans, people living with disabilities or chronic illness and the elderly who lack land, assets, finance or the ability to work. The National Food and Nutrition Security Policy makes special mention of the need to empower those affected by HIV/AIDS and TB. Other nutritionally vulnerable groups in the SACP target areas include minority ethnic groups such as the BaTonga who are found in Binga district, Matabeleland North who mainly rely on subsistence farming; as well as the Tshwa (Tyua, Cuaa) San and the Doma people in Mbire District Mashonaland Central who have a history of foraging and now have a limited reliance on wild plants, animals and insects.

Rural and FHH have an increased likelihood of suffering from malnutrition. The greater prevalence of malnutrition in rural areas has been attributed to reduced food availability

³⁰ http://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Zimbabwe_Acuteper cent20Foodper cent20Insecurity_2019June2019Dec.pdf

³¹ NewsDay, 7 June 2020. Zimbabwe runs out of food.

³² Zimbabwe National Nutrition Survey (2018).

³³ Zimbabwe Multiple Indicator Cluster Survey (2019)

caused by poor agricultural performance; lower access to food due to high levels of poverty and poor food utilization due to lack of knowledge on how to use the available food³⁴.

Food scarcity is a serious concern in Zimbabwe with production of staple cereals and other foods declining. Average cereal stocks decreased by 60 per cent in 2019 compared to 2018³⁵. In the SACP target areas, Matabeleland North experienced the greatest decrease and recorded the lowest household cereal stock (20.1kg); Mashonaland central recorded the highest (42.2kg) which is still insufficient to meet household requirements. Key drivers of food insecurity in Zimbabwe are a difficult macro-economic environment, high food price inflation (food prices increased by up to 42 per cent between 11 February and 11 April 2020³⁶), recurrent climate-induced shocks such as the 2018/19 drought, which resulted in a poor cropping season, floods, and most recently the COVID 19 pandemic³⁷.

Malnutrition in rural areas is compounded by poor water, sanitation and hygiene (WASH). Poor rural households in Zimbabwe have disproportionately less access to potable water and sanitation facilities. Matabeleland North has the highest levels of open defecation (more than 50 per cent in all its districts); with Binga district having up to 74.3 per cent³⁸. Limited access to safe water affects particularly women, as they have to walk long distances to fetch water. A large proportion of women (33 per cent) also experience challenges accessing health facilities due to distance with the highest being in Mashonaland Central (49.1 per cent)³⁹.

2.2 Environment and climate context, trends and implications

Environmental assessment

Agroecological regions. Zimbabwe has five agro ecological regions (NR I to V), distinguished by annual rainfall and agricultural productive potential of the soils. Intensity of farming activities varies across these natural regions. Agricultural productivity declines from region I to V. (i) NR I receives more than 1 000 mm of rainfall per annum. The main agricultural activities include forestry, fruit production and intensive livestock rearing. (ii) NR II receives between 750-1 000 mm of rainfall per annum. It specializes in crop farming and intensive livestock breeding (15 per cent of total arable area). (iii) NR III receives between 650-800 mm of rainfall per annum and specializes in livestock breeding, fodder and cash crops. Rain-fed production is possible in most years, but there are periodic crop failures due to mid-seasons dry spells and delayed commencement of rain. The region has marginal production of maize, tobacco and cotton, (19 per cent of total arable area). (iv) NRIV receives 450-650 mm of rainfall per annum. It specializes in extensive livestock breeding and drought-tolerant crops (38 per cent of total arable area). (v) NR V receives too low and erratic rains for even drought-tolerant crops. It specializes in extensive cattle and game ranching (27 per cent of total arable area). There is a 20-40 per cent variation in annual rainfall in NR IV and V, and yield variation ranges between 15-60 per cent. The targeted provinces under SACP, Matabeleland North falls in NR IV and V, Midlands Province falls within NR III and IV, Mashonaland provinces largely fall under NR II, III with the northern part of Mashonaland Central (Rushinga and Mudzi districts) in NR IV. The land classifications in these Provinces include forests, safari areas, former commercial farming blocks, national parks, communal areas and resettlement areas.

³⁴ Bakker et al., (2020). Pre-Design Report "Climate adaptation and mitigation measures for nutrition co-benefits in IFAD investments in Zimbabwe". Wageningen Centre for Development Innovation. Wageningen, May 2020

³⁵ Zimbabwe Vulnerability Assessment Committee Report (2019)

³⁶ <https://www.news24.com/fin24/Economy/Africa/zim-announces-price-freeze-as-food-costs-skyrocket-during-lockdown-20200422-2>

³⁷ Trading economics (2020). Zimbabwe Food Inflation 2003-2020 Data. (Accessed 06 June 2020)

³⁸ ZIMVAC (2019). Rural livelihoods assessment report.

³⁹ Zimbabwe Demographic Health Survey of 2015

Environmental challenges linked to agriculture (e.g. food gardens) include erosion along stream and riverbanks and siltation of water bodies, particularly in communal areas. Unequal distribution of livestock leads to overstocking and exceeding of the carrying capacity in communal areas resulting in land degradation from. Compacting of soils causes reduced water penetration, increased run-off and gully formation.

Zimbabwe's land includes arid and semi-arid areas. The available water resources are not well developed or protected due to limitation of resources. Therefore, water is not available in sufficient quantities and quality. The country is water stressed and by 2025 is expected to be water scarce. Wetlands are an important water source in communal areas, while ground water is also important for livestock, domestic use and irrigation in rural areas. Deforestation is an increasing concern, resulting from conversion of forests into cultivated land. The land clearing leads to loss of biodiversity and habitats. Trees are also used to cure tobacco. Another source of land degradation are the veld fires caused by poor land management practices.

The main natural resources that will contribute to achieving the objectives of the SACP are the land and water resources. The investments by the farmers in climate smart agriculture and investments in agro-industry and development of irrigation and water supply schemes may lead to intensive use of the land resources and depletion of ground water resources. These impacts will be localised and adverse ones can be managed through climate smart agriculture practices such as integrated soil fertility management, crop diversification and improved water use efficiency. These measures will be promoted under SACP.

Climate trends and impacts. Zimbabwe's climate is largely influenced by altitude, and mean annual temperature varies from 18°C in the Highveld to 23°C in the lowveld⁵. Trends in historical temperature show that Zimbabwe has experienced a warming trend, with mean annual temperatures having increased by 0.4°C between 1900 and 2000 (GoZ, 2015). The period 1980 to 2015 has been the warmest since Zimbabwe started recording temperature, and there are more hot and fewer cold days (GoZ, 2015). Over the last century, daily minimum temperatures have increased by approximately 2.6°C and daily maximum temperatures have increased by 2°C during the same period (Zimbabwe Meteorological Service). This warming trend has been greatest during the dry season (Government of Zimbabwe, 2015), and maximum temperatures have been higher in the Lowveld (Beitbridge and Victoria Falls), and lower in the Highveld (Chipinge) but largely showing an increase at all altitudes since 1980 (UNDP, 2017).

Rainfall in Zimbabwe has always been temporally and spatially variable, but the timing and amount of rainfall received are becoming increasingly uncertain. In the past, the rainy season generally began in October/early November, but most parts of the country are now only receiving rains as late as mid-December (CIAT/World Bank, 2017). Droughts, which are becoming increasingly frequent and severe in southern and western Zimbabwe, represent the most important agricultural risk for the country. Recent examples include the droughts of 2015/16 and 2018/19, both of which resulted in decreased agricultural output and increased food insecurity (World Bank Disaster Risk Assessment report, 2019).

In a recent climate vulnerability analysis conducted by the University of Cape Town, financed under ASAP 2, several stakeholders suggested that variable and unpredictable timing of rainfall, as well as a general long-term trend towards delayed start of the rainy season, was observed by farmers throughout the country. In addition, there was a general agreement that average temperatures have increased and that excessively hot days and heat waves are more common compared to the historical climate (UCT, 2019).

The average reduction in national rainfall predicted for the months of October and November is likely to vary between provinces and Zimbabwe's agro-ecological zones but in some cases may result in inadequate rainfall to support effective establishment of crops during the period, which is traditionally associated with the start of the growing season.

Climate change may delay the onset of rainfall relative to the traditional agricultural calendar, in turn resulting in changes to the timing of various agricultural activities such as field preparation and sowing of seed. The rain-fed agricultural growing season is characterised by monthly rainfall deficits and is likely to result in fundamental changes to local crop choices and agricultural practices by the year 2050. Drought-sensitive crops such as maize are likely to be increasingly unreliable or poor in yield, which will be further exacerbated by predicted increases in temperature. However, the magnitude of this effect is likely to vary between and within each province according to the spatial distribution of rainfall (UCT, 2019).

The large increases in temperature (2–2.7°C) in the months of October–December will increase crop water demand and evapotranspiration losses of water from agricultural soils, coinciding with the reduced rainfall predicted for the same months. This effect is likely to increase the risks of crop failure because of inadequate or erratic rainfall during the establishment of rain-fed crops. Furthermore, the increased average temperatures are likely to include increased frequency or severity of heat waves and unusually hot days, further contributing to evapotranspirative losses of water and crop stress.

Taken cumulatively over the entire growing season, the combination of reduced rainfall and increased mean temperature is likely to reduce agricultural production, either because of decreased yield or outright crop failure, particularly in the case of heat- and drought-sensitive crops such as maize and wheat. However, the magnitude of this effect is likely to vary between and within each province according to the spatial distribution of rainfall as well as anomalies in average temperature (UCT, 2019). In the months of October–December at the onset of the growing season, the relative size of the anomalies in average temperature appear to be greatest in the south-western and north-western parts of the country, coinciding with the provinces of Matabeleland South and Matabeleland North.

2.3 Poverty and target group profiles

SACP target group consists of smallholder farmers: communal, old resettlement and A1 farmers, which includes 50 per cent FHH and women in male-headed households, as well as 30 per cent youth (23,472 youths consisting of 50 per cent youth females aged 15 to 35 years).

Table 3: Poverty Categorisation of rural households in Zimbabwe

	Household type	Characteristics	How the project impacts them	No households
A	Chronically poor and unable Chronically food insecure and dependent on social safety nets	<ul style="list-style-type: none"> • Little or no land • No economically active people • Child or elderly-headed households • Climate change vulnerability • Below poverty line 	<ul style="list-style-type: none"> • Nutrition-sensitive Interventions • Community investments • Collaborate with humanitarian organisations • GALS • Matching grants for APGs 	10,940 (5,470 women)
B1	Chronically poor but able Often chronically food insecure but capable of becoming transitory food secure	<ul style="list-style-type: none"> • Access to land/livestock and labour • Farming/livestock rearing and wage labour • One economically active person • Lack resources to purchase inputs • Below total consumption poverty line 	<ul style="list-style-type: none"> • Infrastructure • Empowerment & skills development e.g. CSA & agribusiness, diversification of production • GALS training & Nutrition-sensitive Interventions • Promote farmer to farmer learning in extension • Matching grants for APGs 	16,400 (8,200 women)
B2	Transiently poor Transitory food insecure	<ul style="list-style-type: none"> • Access to land and labour • Cash constrained and vulnerable to shocks. • 2-3 economically active people • Can increase productivity to achieve food and income security and contribute to economic growth. 	<ul style="list-style-type: none"> • Marketing, business and technical skills • Market access (out-grower, contract farming) • Nutrition sensitive interventions • Matching grants for APGs and micro-enterprises • Contract framing • Out-grower linkages to lucrative value- chains • GALS Nutrition-sensitive Interventions 	40,000 (20,000 women)
C	Self-sufficient Often food secure, with a risk of transitory food insecurity	<ul style="list-style-type: none"> • Access to land and labour • Potential to produce a saleable surplus. • 3-4 economically active people • Able to withstand shocks without external assistance. 	<ul style="list-style-type: none"> • Business expansion support • New technologies to increase production • Value addition and innovation to increase production and marketing of commodities • Matching grants for APGs and micro-enterprises • Out-grower linkages to lucrative value- chains • Nutrition-sensitive Interventions 	10,900 (5,450 women)
	Women HH	<ul style="list-style-type: none"> • Limited decision making power • limited access to production means • Heavy workload and time poverty • Limited access to finance • Climate change vulnerability 	<ul style="list-style-type: none"> • Improved decision making at community level; • Improved participation in APG, leadership skills, • Reduced workload, improved access to finance; • Improved well-being and nutrition • CSA and improved entrepreneurial skills 	39,120 (included in A, B1, B2, C and youth)
	Youth	<ul style="list-style-type: none"> • Lack of access to production means • High unemployment 	<ul style="list-style-type: none"> • Access to matching grants • Improved BDS skills • improved Agribusiness • improved Leadership skills • Improved digitalization and adoption of technologies 	23,472
	Total			78,240

The smallholder farming households in the target area are shown in the table below:

Table 4: Smallholder households (HHs) in the targeted provinces and districts

	Matebeleland North	Mashonaland East	Mashonaland West	Mashonaland Central	Midlands
Communal farmers HHs	66,303 (24,683 women)	139,570 (60,356 women)	70,797 (25,339 women)	104,830 (27,563 women)	99,439 (25,330 women)
Old Resettlement farmers HHs	183 (91 women)	69 (19 women)	7,871 (4,162 women)	3,226 (916 women)	7,207 (3,098 women)
A1 farmers HHs	1,607 (409 women)	18,049 (4,287 women)	27,063 (4,300 women)	2,147 (366 women)	13,538 (4,112 women)
Target beneficiary HHs per province	17,600	17,600	17,600	17,600	7,840
Agricultural producer groups (APGs)	180	180	180	180	80
APGs per District	Hwange (45), Binga(45), Lupape(45) Nkayi (45)	Goromonzi(45) Murehwa(45) Mutoko(45) UMP (45);	Chegutu (45) Mhondoro Ngezi (45) Zvimba (45) Sanyati (45)	Rushinga (45) Mt Darwin(45) Muzarabani (45) Shamva(45)	Kwekwe(40) Chirumanzu (40)

Source: Adapted from Agritex, MLAWRR

Smallholder farmers: Rural poverty is most prevalent in Communal Areas (CAs) 79.2 per

cent followed by Resettlement Areas (RA)⁴⁰ with 76.4 per cent. About 76 per cent of the rural households are poor compared to 38.2 per cent of urban households. The average size in CAs is 4.4 persons and in RAs it is 4.6 persons and the relatively large household size are likely to be poor. Poor households in CAs are characterised by high dependency ratios. CA and RA farmers contribute to 80.6 per cent of economically active population. About 30 per cent of the households in rural areas rely on unsafe water supplies. Most of the urban population has access to sanitation (91.5 per cent) with 36.8 per cent of the rural households having no toilet at all. In Matebeleland North, 61.4 per cent of the population in Tsholotsho district and 74 per cent of the population have no sanitation facilities. In terms of safe water supplies, 22.5 per cent and 23 per cent of the population in Binga and Lupane districts have access to unsafe water supplies.

Through SACP, the SHF will form 800 Agricultural Producer Groups (APGs) which will apply for matching grants to upgrade their value chain or engage in SMSEs. Farmers will also apply to get the funding for the rehabilitation of dysfunctional agro-processing units, water and sanitation and irrigation infrastructure. The farmers will also benefit from inputs, business and entrepreneurial skills, knowledge on CSA technologies, nutrition, access to markets in order to improve their income levels and food security. Farmers will be assisted to get their groups registered so that they can borrow their matching grant contribution from the bank. The APGs will receive training in BDS, development of proposal, financial literacy, entrepreneurship, GAPs, among others. Farmers will also produce a single commodity that will be linked to agribusiness.

⁴⁰ Resettlement areas are A1 , A2, old resettlement after independence

Women: Interventions on gender equality and women's empowerment will focus on strengthening women's economic empowerment, decision making and achieving workload balance. At the same time, the project will strengthen women's voices in determining household priorities, spending patterns, and in addressing their own well-being. Gender roles and relations are tackled involving men and women. In line with IFAD's focus on promoting transformation of gender relations, the project will carry out community Gender Action Learning Systems (GALS) to address underlying cultural and traditional norms, attitudes, behavioural systems, as well as gender and age stereotypes. Women will consist of 50 percent of beneficiary households, which is equivalent to 39,120 beneficiary households. A baseline survey of Women's Empowerment in Agriculture Index (WEAI) will be used to identify constraints and opportunities for women with regards to production, access to resources, income, leadership and time poverty. Based on the outcome, SACP will design appropriate strategies to address the constraints faced by women and men. Women will benefit from matching grants under APGs, MSMEs and Lead Value Chain Enterprises. Women will be empowered through training in business development, climate smart agriculture, financial literacy training among others.

Youth: have limited productive resources, skills and capital. SACP will target the youth directly by identifying skilled and unskilled youth interested or already involved in livestock or irrigated crop production or post-production activities such as processing, marketing, artisanry or casual labour. The APGs will allocate 30 per cent of membership to interested youth and will serve as a model for youth mentorship, upskilling and transfer of indigenous knowledge. With a target of 78,240 beneficiary households, SACP will provide opportunities for 23,472 young women and men between the ages of 15 and 35. Value chain analysis will be done to identify opportunities for youths disaggregated by age and gender to ensure that appropriate opportunities are availed to young men and women of all the age groups (15-24 and 25-35). In addition, youth that are interested in being part of the APGs will benefit from technical assistance on business plan development, climate-smart agriculture and financial literacy and planning, and technical training related to the specific operations of the enterprise.

Institutional analysis

The most important institutions that present potential strategic partners to help achieve IFAD's mainstreaming agenda are outlined below.

Agritex a department in the Ministry of Lands, Agriculture, Water and Rural Resettlement (MLAWRR) has specialist branches, provincial and district offices that provide technical and advisory services, regulatory services, farmer training, food technology (including post-harvest processing and product development) dissemination of technologies and provide market oriented extension for sustainable farming. Currently Agritex is rolling-out countrywide training of its extension staff on nutrition-sensitive agriculture. It would be a strategic partner for the delivery of nutrition education at ward-level and for providing extension support to the smallholder farmers.

The Ministry of Health and Child Care adopts essential nutrition actions for improving maternal, new-born, infant and young child nutrition and health at facility and community levels. Partnership with the MoHCC will be important for ensuring better access of the SACP target group to healthcare services as well for delivery of nutrition education and for delivery of health services for those suffering from HIV and AIDS.

Harvest Plus promotes rural nutrition through increased production and consumption of bio-fortified crops. In the SIRP project, Harvest Plus is responsible for the promotion of bio-fortified crops, provision of nutrition training materials, and is a partner in nutrition training and provision of agronomic extension with regards to production of bio-fortified crops. A similar partnership is envisioned for the SACP project.

The Zimbabwe Agricultural growth programme (ZAGP) is an EU-supported programme focusing on livestock value chains in all 10 provinces of Zimbabwe. Partnership with ZAGP will be important for increasing access to small livestock, which is important for the livelihoods of women and for increased access to animal source protein.

UNICEF in Zimbabwe works to improve water and sanitation services as well as basic hygiene practices. It is currently leading the initiative to end open defecation in Zimbabwe by 2030. It works in 45 districts and would be a strategic partner for the delivery of WASH interventions in the SACP project target districts.

The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) is a CGIAR organization that conducts agricultural research for development in the drylands, focusing on crops and livestock production of relevance to smallholders. ICRISAT would be a strategic partner for the supply of iron-rich millet and other small-grains that are of nutritional importance in the SACP project.

Econet Wireless has a subsidiary, ECOSURE that has a new facility to enable small-scale farmers to access cold-chain facilities for enhanced market access and high value crop production. Access to such cold-chain facilities by SACP's horticulture value chains has potential to reduce postharvest food loss from spoilage.

International Labour Organization (ILO) has relevant experience in targeted interventions (focus on women and youth) and models of small scale agro-processing and post-harvest that could benefit smallholder farmers in reducing food wastage and post-harvest losses.

The Youth Desk in the Ministry of Lands, Agriculture, Water and Rural Settlements is currently implementing the National Young Champion Farmer Program to develop a database of young farmers in the 10 Provinces of the country. SACP will collaborate with the Youth Desk for the identification of youth in cropping, animal husbandry, innovation, irrigation and mechanisation, farm infrastructures and ICT.

Norwegian Agency for the Development Cooperation (NORAD). A grant proposal for NORAD is being currently finalized and would provide supplementary financial resources to strengthen the implementation of nutrition-sensitive interventions in SACP.

Ministry of Women's Affairs, Community, Small and Medium Enterprise Development is responsible for gender and women's economic empowerment through MSMEs and has experience in running BDS and managing the Women Development Fund. The Ministry is also responsible for the registration of cooperatives. The Ministry has adequate capacity as it has structures at grassroot level. Women's groups will complement the efforts in approaching women and gender issues from a rights perspective in terms of prevention of gender-based violence, counselling services, sexual reproductive health rights, legal aid assistance and tackling issues in inheritance.

Women's organisations and groups advocate to protecting women's rights, promoting gender equality and empowerment in terms of prevention of gender-based violence, counselling services, sexual reproductive health rights, legal aid assistance and tackling issues in inheritance. Knowledge sharing and documentation of experience on gender equality and women's empowerment issues.

UN Country Team (UNCT) coordinates gender equality and women's empowerment and rights issues among the UN Agencies. UNCT has capacity since it works in conjunction with the UNIFEM and other implementing partners include FAO, UNDP, and UNFPA for programmes on GEWE development. UNCT is a key resource for knowledge sharing, documentation and dissemination of good practices on gender equality, women's empowerment and women's rights.

Ministry of Environment, Climate, Tourism and Hospitality Industry is responsible for environmental management and international climate and environment funds. The two important units under the Ministry are Climate Change Department and Environmental Management Authority. The former houses the National Designated Authority for the Green Climate Fund and will play a key role in securing co-financing resources for the SACP. EMA ensures adequate environmental safeguards are met in the targeted areas and carries out environmental education, conservation of natural resources. The Agency has capacity to carry out the tasks through its decentralized structures.

The main national policy, strategic and regulatory frameworks relevant to the SACP from a safeguard and IFAD mainstreaming perspective are the following.

The National Food and Nutrition Security Policy (2012) seeks to promote and ensure adequate food and nutrition security in Zimbabwe. The Food and Nutrition Policy for Zimbabwe highlights some priority actions for addressing food security issues through agriculture and these include, among others, diversification of agricultural production including indigenous small grains and livestock; enabling farmers to expand from subsistence farming to marketing excess produce; promoting household income generation activities; strengthening postharvest management to reduce postharvest losses; reaffirming women's central role in agriculture without affecting their other roles; and increasing awareness and demand for nutritious food.

The Zimbabwe National Nutrition Strategy (2014-2018) is guided by the mission to implement evidence-based nutrition interventions that are integrated within a broad multi-sectoral collaboration framework. The Zimbabwe National Nutrition Strategy identifies inadequate nutrition knowledge and practices, weak value chains for nutrient dense foods, weak coordination and inadequate resourcing of nutrition interventions, poor water and sanitation interventions, among others, as contributing to high malnutrition⁴¹.

The National Youth Policy (2015) aims to provide opportunities for sustainable livelihoods and decent work for all young men and women. The policy operationalises the African Youth Charter, which gives direction for youth empowerment and development at continental, regional and national levels.

National Gender Policy and Action Plan (2017) seeks to address the emerging issues prevailing under the changing political, economic and social contexts at local, regional and global levels. It identifies eight priority areas namely: Gender, Constitutional and Legal Rights; Gender and Economic Empowerment; Gender, Politics and Decision Making; Gender and Health; Gender, Education and Training; Gender Based Violence; Gender and Environment; and Gender, Media and ICTS. It is underpinned by principles of gender justice, equality, integration and inclusiveness.

Environmental Management Act (2006); provides a range of requirements such as Environmental impact Assessments and Environmental Management Plans. These requirements will apply for the irrigation development activities under SACP and the matching grants under Component 1.

National Environmental Policy and Strategies (2009) advocate for integrated land use planning to achieve sustainable land use taking into account available land use options. The business plans developed will have to take into account the land use planning and different options available for communities in their various locations. The plans and subsequent investments will also have to apply integrated water resources management principles, which Zimbabwe adopted the in 1990s.

⁴¹ Global nutrition report (2018). Zimbabwe. <https://globalnutritionreport.org/documents/240/Zimbabwe.pdf>

National Climate Change Response Strategy (2016) provides a framework for a comprehensive and strategic approach on aspects of adaptation, mitigation, technology, financing, public education and awareness. In the years, 2019 to 2021 Zimbabwe will clearly define its climate change adaptation agenda and mainstream climate change into development planning as the road map for the National Adaptation Plan.

The **Nationally Determined Contribution** (NDC) priorities focus on promoting adapted crop and livestock development and climate smart agricultural practices, building resilience in managing climate related disaster risks such as droughts and strengthening management of water resources and irrigation. The following prioritised interventions will be included under SACP:

- Strengthening capacities to generate new forms of empirical knowledge, technologies (including conservation agriculture) and agricultural support services that meet climate challenges;
- Promoting the use of indigenous and scientific knowledge on drought tolerant crop types and varieties and indigenous livestock that are resilient to changes in temperatures and rainfall;
- Developing frameworks for sustainable intensification and commercialization of agriculture at different scales across agro ecologies;
- Promoting and supporting water harvesting as a climate change adaptation strategy;
- Developing, rehabilitate and maintain surface and groundwater resources;
- Promoting efficient water use practices in the economy;
- Strengthening biodiversity conservation management and integrity of natural ecosystems to adapt to climate change; and
- Strengthening water and moisture conservation initiatives.

The interventions will be financed mainly through the climate smart agriculture interventions resulting from the matching grants. These priorities for the agriculture sector are reiterated in the National Climate Change Response Strategy. Based on the status of current budget provisions, the total domestic support through the national government needed to build resilience of the agricultural sector is estimated at USD 8.725 billion. The required international support for adapting the agricultural sector of Zimbabwe is estimated at USD 26.175 billion by 2030 under BAU. Further collation and analysis of information on support for financial investment, capacity development and technology generation and transfer in adaptation initiatives is however required (NDC).

Environmental and social category

The environmental and social categorisation of SACP is B. The project interventions will be in non-sensitive areas and mainly consist of small-scale infrastructure related investment. The small-scale infrastructure under Component 2 (irrigation schemes averaging 75 ha; last mile feeder roads of approximately five kilometre length and water supply investments) will result in localised and mostly reversible negative environmental and social impacts. The potential negative impacts such as vegetation loss, changes in water flows, waste generation, soil loss and land levelling will be minimised through screening and implementation of site-specific Environmental Management Plan (EMPs) where these are required (First Schedule of Environment Management Act). Investments under the matching grants in Component 1 will be screened for environment and social risks as part of the selection criteria. Any environmental licences or certification will be a pre-requisite for the approval of matching grants for the private sector. The APGs will be supported through the process of acquiring the necessary certificates and licences.

The SACP potential interventions being financed under the matching grants and infrastructure development which are included in the First Schedule of the Environment Management Act and thus require an environmental impact assessment are: irrigation,

agro-industries, ground water development for agricultural water supply and water withdrawals from rivers and reservoirs. No thresholds are provided on the infrastructure development, the depth of the assessment is based on the scope of works to be undertaken. The mandatory steps to be followed in considering these sub-projects under the SACP include:

- a) screening as a result a prospectus will be produced
- b) submission of prospectus for Environment Management Agency (EMA) review
- c) desk review by EMA with feedback provided within 30 days
- d) ground truthing by EMA
- e) development of Environmental Management Plan if required.

Rehabilitation of irrigation schemes requires an EMP to be developed. An Environmental Impact Assessment (EIA) is required based on the scope of works particularly where expansion will be undertaken. Rural roads do not have specific EIA requirements though they can be included in the assessments for irrigation scheme development and agro-industries. The social risks are outlined above in the sections on gender, youth and nutrition. These risks will be minimised and managed through Gender Action Learning System (GALS) and capacity building including in nutrition sensitive and inclusive value chains. Local partners from Government Agencies and NGOs will play a key role in the risk management strategies. A grievance redress mechanism building on existing structures has been outlined for the project to address any risks in this regard during implementation. An ESMP matrix for the SACP is included as an Appendix to the SECAP Annex. The screening criteria for the infrastructure projects to ascertain adherence to the Category B thresholds i.e. max 10 kilometres for roads and 100 ha for irrigation is included in the PIM. The estimated costs for the ESMP are included in the detailed costs for the project. For the matching grants under Category 1 the estimated costs for the ESMP is approximately 2 per cent of the overall sub-project costs for which the plans are required. The estimated costs for the ESMP implementation are approximately 5 per cent of the infrastructure development cost. Based on these estimates the approximate costs for the ESMP implementation are USD 785,000.

Climate risk classification

The climate risk classification for SACP is high. The main climate risks affecting the SACP target beneficiaries are droughts, floods and increasing temperatures. The five provinces selected for the SACP interventions are less vulnerable to droughts compared to the southern and eastern part of the country. However, the provinces include agro-climatic zones where periodic crop failures occur due to mid-seasons dry spells and delayed commencement of rain. The target groups also have low adaptive capacity exacerbated by the levels of poverty and limited ability to invest in climate change adaptation measures. The in-depth climate vulnerability analysis conducted for Zimbabwe by the University of Cape Town with financing from the Adaptation for Smallholder Agriculture Programme (ASAP 2) recommends various climate change adaptation options, which will be provided to the smallholder farmers under the SACP (Table 5). These include ensuring diversified, multi-crop and intercropped agricultural systems, promoting locally adapted and drought-tolerant varieties and investing in post-harvest processing facilities.

Climate change resilience is one of the criteria for the matching grant investments for the APGs. The capacity of the smallholders in climate smart agriculture will be developed prior to the investment approvals. Given the limited resources available and the scale of need for climate change adaptation further resources will be sought from the Green Climate Fund or ASAP+ to finance measures such as further investment in climate resilient infrastructure development and processing facilities for the diversified value chains as well as research and development of locally adapted drought-tolerant mixed crop and livestock systems. The SACP contributes to the priorities outlined in the NDC such as promoting

water use efficiency practices, water harvesting and soil and moisture conservation. These measures can also be scaled out with GCF financing.

Recommendations for project design and implementation

Participatory processes: Value chain analysis and selection will be done in a participatory manner actively involving youth and women culminating in the selection of value chains that are gender sensitive and suitable for youth interests and capacities.

Opportunities for rural youth: Systematic training and enhancing productivity in agricultural value chains and related off-farm activities could offer real opportunities for rural youth.

Disaggregate youth populations: From the beginning of the project, SACP will be aware of the diversity of youth populations (gender, level of education part of value chain/crop preference) and target value chain analysis accordingly. The project shall not design one standardized approach, but tailored approaches to sub-populations of youth.

Selection of value chains: SACP will identify value chains based on their high potential nutritional impact on the main nutrition problems in the target population and in relation to the food consumption patterns. When selecting value chains to be supported under the matching grant facility, the project will consider multiple commodities that can contribute to a healthier diet thereby contributing to a nutrition-sensitive food system.

Training of Agriculture Producer Groups (APGs) on nutrition sensitive value chains: Agricultural technical assistance that will be systematically delivered to APGs will include topics on variety selection, nutrition sensitive value chains as well as food loss and waste. This will empower the producers to make decisions that will support the production of nutritious and healthy foods.

Empowerment of women through income generation will be done in ways that improve nutrition. This consists of different interrelated components, such as women's use of income for food and non-food expenditures, the ability of women to care for themselves and their families and women's energy expenditure.

Nutrition education and behaviour change communication will be layered to build on the increased income. Increasing the SACP target group's nutrition knowledge and awareness should in turn boost the demand side and increase the consumption of more nutritious and healthy food.

To improve women's decision making: SACP will use GALs to increase women's participation in APG by encouraging membership of wives and other family members. SACP will also encourage women only agricultural groups to increase the participation of women into new economic areas. SACP will also ensure that meetings are held at times and venues that facilitate women's participation. While it is important to involve women in the selection of women led value chains to increase acceptability, it will be important to upgrade the technologies to provide better returns for the women. The project will identify successful women within different parts of the value chain and bring them together in for example a leadership platform. These women will be role models to other women and in addition, they will foster collaboration among value chain actors.

To strengthen women's participation in APGs will include: (i) improving better access to information on markets and agricultural inputs, active participation in APG, increased self-confidence roles and improved leadership skills; (ii) APGs will be linked with private sector in order to increase access to productive resources, (iii) women's workload will be reduced through the provision of labour saving technologies. Training on GALs will promote discussions on roles and responsibilities within the household towards greater

collaboration, sharing and equity. A 50 per cent quota for women participation will be achieved through allowing households membership, instead of focusing on the head of household. The project will also carry out gender sensitisation awareness for APG and raise awareness on labour saving technologies.

To address limited access to finance: matching grants based on the 50 per cent women's quota, will provide women with access to finance. APGs will be encouraged to formalise their registration so that they are able to access bank finance through the group lending schemes linked with a lead value chain agribusiness. Women's financial literacy will be enhanced through equipping them with basic skills necessary to make sound decisions about spending, savings, borrowings, etc. Through GALs, the project will encourage joint decision making at household level.

To address limited access and adoption of inputs and technology: Women led microenterprises would be encouraged to engage in agro-dealership to serve as link between input suppliers and farmers and between output markets and traders. Agro-dealers can supply inputs such as seeds, machinery and advisory services to the rural communities including women. Through the agribusiness matching grant, SACP will also promote contract farming to facilitate APG to access inputs, improved technologies and secure markets, which will assist women to access inputs closer home.

To address workload and time poverty for women: Through Component 2, provision of drinking water sources will reduce walking distance to fetch water and improve women's wellbeing. APGs will be encouraged to supply childcare facilities in order to allow for the participation of women in trainings. SACP will promote matching grants for MSMEs (Component 1) for the manufacture of improved hand tools for harvesting (such as reaping tools, motorised reapers etc.), small scale postharvest management tools for processing of crops, etc. to overcome labour constraints. In addition, the project will identify CSA technologies that will not increase the workload burden for women. Improved feeder roads will guarantee safety of women.

SACP will hire a Social Inclusion Specialist who will be responsible for the **coordination of gender mainstreaming activities** in SACP components, as well as for monitoring equitable participation of men and women in the project (Component 3). The project will build the capacity of project implementing partners as well as the government agencies on gender mainstreaming, in addition to technical and soft skills. A thorough gender analysis for each of the selected VC will be conducted at the start-up of project implementation (Component 1). The household socio-economic survey and the Women's Empowerment in Agriculture Index will be utilized as baseline for the gender analysis. A Gender mainstreaming strategy and Gender Action Plan will be developed on the basis of the results of the gender analysis.

Environment and Natural Resources Management (ENRM) practices will be promoted to ensure sustainability of the agricultural production through the CSA capacity building for smallholder. The capacity building in ENRM should be well sequenced prior to any approval of matching grants to enable farmers make informed investment decisions and appropriate incentives provided for smallholders to adopt the CSA practices.

In cognisance of the vulnerability of the smallholders in the APGs, **capacity building in climate change adaptation should be emphasised** through climate smart agriculture investment promotion. Mitigation co-benefits through improved soil carbons and potential investment in agro-forestry systems can be included in the training material.

The screening criteria for business plans and the matching grant proposals under SACP include ENRM and climate change considerations. However, to ensure that the investments achieve these benefits, **measures should be included in the monitoring of the grants and results from the investments.**

To ensure adherence to the SECAP and the national regulations, potential grantees should be made aware of the relevant certificates required for specified activities and the need to acquire these prior to the approval of grants. This can be done through templates for the grants and sensitisation sessions for the SACP.

The most important entry points for making SACP nutrition sensitive are the selection of high nutrition impact commodities for cluster/value chain development; training of Agriculture Producer Groups (APGs) on nutrition sensitive value chains and; empowerment of women through income generation and nutrition education. Specific activities under each entry point are identified in the Project Implementation Manual (PIM) annex of the Project Design Report.

The engagement of youth in value chain analysis and selection could facilitate the identification of youth interests within the value chains and can be an entry point for making the SACP project youth sensitive. Systematic training and enhancing productivity in agricultural value chains and related off-farm activities could offer real opportunities for rural youth. Quick and high monetary returns activities such as short cycle high value crops, processing or marketing activities attract and retain youth interest.

The main entry points for improved ENRM include the sensitization and capacity building activities as well as the CSA investments. The criteria included in the call and screening of grant proposals provide measures to ensure ENRM and climate change adaptation are mainstreamed in the SACP. In order to report effectively on the benefits from the improved ENRM and climate smart investments, the grant monitoring should include data collection of specific indicators.

Table 5. Summarised climate change vulnerabilities and impacts on selected crops in Zimbabwe

Crop	Climate change effect on extent of suitable areas	Climate change effect on annual production (tonnes per year)	Replacement cost for lost production (USD per year)	Most vulnerable provinces	Recommendations and adaptation options
Maize	Fairly widespread historical suitability. Area considered to be of good-to-excellent suitability will be considerably reduced by Mid- Century.	-230 000 tonnes	88 million	Matabeleland North, Midlands, Mashonaland West and Mashonaland East	<ul style="list-style-type: none"> - identify and increase access to locally appropriate cultivars, especially fast/short-maturing varieties; - technical support and assistance for farmers to adopt new practices for climate resilience and management of climate risks; - promote the adoption of alternative, climate-resilient crops such as millet.
Sorghum	Marginal historical suitability. Unsuitable by Mid-Century.	-15 000 tonnes	6 million	Matabeleland North, Masvingo, Mashonaland Central and Mashonaland East	<ul style="list-style-type: none"> - increase access to locally appropriate cultivars, in addition to promoting the adoption of alternative climate-resilient cereals such as millet; - development supporting value chains and market for cereal alternatives to maize (including advocacy towards market-oriented pricing).
Pearl Millet	Good to excellent, widespread historical suitability,	-2000 tonnes	818 000	Matabeleland North, Matabeleland South and Masvingo	<ul style="list-style-type: none"> -promote pearl millet as an alternative or a complement to other legume or cereal crops - efforts to increase the demand and average prices paid for pearl millet and

Further studies needed

The further studies required are the baseline studies that will include the Project level Women in Agriculture Empowerment Index and the nutrition assessments for the target areas. The costs for these studies are already included in the project budgets.

The Value Chain Analysis/studies will take into account employment opportunities for youth, needs and aspirations among others (this aspect will be reflected in the VC Study ToRs).

The Environmental Impact Analyses for the infrastructure development and agro-industry investments will be undertaken during implementation. The costs for these activities, elaboration of EMPs and obtaining any licenses or certificates is integrated in the project budgets for the APGs. The private sector partners will cover the costs for these activities from their own budgets.

Monitoring and evaluation

The following indicators are proposed for incorporation in SACP for the mainstreaming themes:

- 1) Number of persons trained in income-generating activities or business management:
 - a. Number of young women (15-19; 20-24; 25-29; 30-35)
 - b. Number of young men (15-19; 20-24; 25-29; 30-35)
- 2) Number of persons trained in production practices and/or technologies:
 - a. Number of young women (15-19; 20-24; 25-29; 30-35)
 - b. Number of young men (15-19; 20-24; 25-29; 30-35)
- 3) Number of persons trained in income-generating activities or business management:
 - a. Number of young women (15-19; 20-24; 25-29; 30-35)
 - b. Number of young men (15-19; 20-24; 25-29; 30-35)
- 4) APG matching grants disbursed:
 - a. Number of young women (15-19; 20-24; 25-29; 30-35)
 - b. Number of young men (15-19; 20-24; 25-29; 30-35)
- 5) HHs with targeted support to improve their nutrition
- 6) Percentage of women reporting minimum dietary diversity (MDDW)
- 7) Percentage of individuals demonstrating an improvement in empowerment
- 8) Income, disaggregated by gender (to reflect intra-household income control)
- 9) Production of target nutrient-rich foods (disaggregated by commodity)
- 10) Number of people reporting a significant reduction in the time spent for collecting water
- 11) Number of projects supported enterprises with women in leadership positions
- 12) Number of enterprises supported which are headed by young farmers
- 13) Number of rural producers' organisations with women in leadership positions
- 14) Number of hectares of land brought under climate-resilient management
- 15) (Number) Percentage of persons/households reporting adoption of environmentally sustainable and climate-resilient technologies and practices.
- 16) Number of women in leadership position in producer organisations or APGs
- 17) Number of women accessing matching grants
- 18) Number of women reporting a reduction in time spent in fetching of water
- 19) Number of beneficiaries reporting a reduction in GBV
- 20) Number of individuals reporting equitable work balance
- 21) Number of individuals reporting an improvement in asset ownership
- 22) Number of women adopting labour saving technologies
- 23) Number of women participating in APGs
- 24) Number of women participating in MSMEs

- 25) Number of women benefiting from LVCEs
- 26) Number of women accessing matching grants
- 27) Number of women owning irrigation plots
- 28) Number of individuals with access to safe water and sanitation services.
- 29) Number of individuals reporting increased income

References

ZIMSTAT (May 2019)
Zimbabwe Poverty Report 2017
Environmental Management Act
Nationally Determined Contributions 2015
Climate Risk Assessment, Agriculture Sector – Zimbabwe (UCT, 2019)

Organisation	Name of person interviewed	Contact details
Youth desk	Nickros Kajengo	kajengon@moa.gov.zw
Agritex Nutrition focal person	Nester Gumbo	gumbonester@gmail.com
Nutritionist MoHCC	Ruth Machaka	rumachaka78@gmail.com
Harvest Plus Country Manager	Sakile Kudita	S.Kudita@cgiar.org
MoHCC food fortification focal person	Dexter Tunga	tugngadex@gmail.com
Zimbabwe Agricultural Growth Programme TA	Neil Orchardson	nqorchardson@zagp.co.zw
UNICEF nutritionist	Kudzai Mukudoka	kmukudoka@unicef.org

Environmental/ Social Impacts	Recommended Mitigation Measures	Responsible Institution	Means of Verification/Indicators	Frequency of verification
Loss of vegetation due to rehabilitation and construction works	Selective clearing of project sites, preservation of protected plant species, awareness campaigns.	Contractors Provincial Project Implementation Teams	Land area affected (GIS tools)	Monthly
Loss of soil due to construction works and expansion of agriculture cultivation areas	Stabilization of loose soil, controlled excavation, preservation of vegetation cover, controlled transportation of raw materials, appropriate landscaping.	Contractors Provincial Project Implementation teams/ National Management Unit	Area and size of gullies formed Amount of silt deposited in watercourses Soil fertility sampling	Monthly Annually
Loss of fragile ecosystems and biodiversity species due to rehabilitation and construction works	Conduct feasibility studies to inform decisions and investments, use expert knowledge of ecologists, fencing/ enclosures of specific identified areas	Contractors Provincial Project Implementation teams/ National Management Units	Size of area and species affected (GIS tools)	Monthly
Soil and water pollution from chemicals & fertilizers	Use of appropriate disposal facilities, use of appropriate drainage structures, use of organic soil fertility enhancement, proper storage of materials, capacity building in safe use and handling of agro-chemicals	Contractors Provincial Project Implementation teams/ National Management Units	Change in chemical and biological water quality Number of reported pollution incidences	Bi-annually Annually
Loss of natural and cultural heritage.	Conduct feasibility studies, fencing/ enclosures, introduce proper antiquity education programmes	Contractors Provincial Project Implementation teams/ National Management Unit	Number or size of property lost	Before project implementation During project implementation
Dust, emissions, strong light, noise and vibration during construction works	Controlled operation times, use of appropriate equipment, proper orientation of lights, use of alternative materials, use water sprinklers to control dust, use of scrubbers	Contractors Provincial Project Implementation Teams	Number of complaints	Monthly

Environmental/ Social Impacts	Recommended Mitigation Measures	Responsible Institution	Means of Verification/Indicators	Frequency of verification
Disturbance of marginal areas	Avoid extraction of raw materials from marginal areas, no construction of structures in marginal areas.	Contractors Provincial Project Implementation teams/ National Coordination	Size of area affected	Bi-annually
Water logging and flooding	Water control/ drainage structures Provide water and catchment management training to farmers	Provincial Project Implementation Teams	Prolonged presence of water Poor growth of crops Presence of salts in the soil	Annually
Disruption of footpaths during construction works	Relocation and/or restoration of the footpaths after the works/disruption	Contractors Provincial Project Implementation teams	Number of footpaths in use Problems of accessibility	Quarterly
Waste generation at agroprocessing facilities and construction sites	Awareness campaigns, assignment of adequate sites and equipment for waste collection and temporary storage Capacity building for smallholders in waste management Facility designs to include waste management	Contractors Provincial Project Implementation teams/ National Management Unit	Number of waste management systems in use Number of waste collection sites	Quarterly
Spread of HIV/AIDS	Strengthen HIV/AIDS awareness campaigns at different levels, encouraging participation of the private and public sectors in HIV/AIDS issues. Awareness and education campaigns at community level	National Project Management Local institutions and committees	Number of campaigns per cent increase in those affected.	Annually (Monthly statistics from hospital and clinics)
Water-borne and/ or water related diseases	Provision of potable water supplies and sanitation facilities, capacity building in sanitation and health	Project Provincial Coordination teams /District Authorities	Increase in water related diseases	Bi-annually

Environmental/ Social Impacts	Recommended Mitigation Measures	Responsible Institution	Means of Verification/Indicators	Frequency of verification
	issues, awareness campaigns			
Work related accidents during rehabilitation and construction works	Awareness and capacitation in occupational and safety Use of adequate personal protective equipment	Contractors Provincial Project Implementation teams	Number of reported accidents	Annually
Disputes over water resources	Provide water management training to farmers and introduce alternative sources Establish mechanisms for complaints and conflicts resolution	Provincial Project Implementation teams/ National Project Management Unit	Number of grievances and conflicts resolved	Annually
Sexual Harassment/ Sexual exploitation and Abuse	Awareness raising and capacity building on the policy of no tolerance for SH/SEA GALS	Provincial Project Implementation teams/ National management Unit/ District Authorities	Number of reported incidents	Annually
Gender based violence	Awareness raising and capacity building on prevention of GBV GALS	National management Unit/ District Authorities	Number of reported incidents	Annually

Zimbabwe

Smallholder Agriculture Cluster Project

Project Design Report

Annex 6: First Annual Work Plan and Budget (AWPB)

Mission Dates: 25 May - 19 June 2020

Document Date: 28/01/2021

Project No. 2000002341

Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department

Value Chain Development

Subtotal 1.2.2 CSA Productivity Enhancement																					
C. 1.2.3 Improved Nutrition and Food Security																					
1. 1.2.3.1 Gender/Youth/Nutrition Training Costs																					
Item 1: GYN Specialist Preparation Days	days	3	3	3	3	2.50	2.50	300	0.75	0.75	0.75	0.75	0.75	0.75	5	4		0.68	4.50	-	
Item 2: GYN Specialist Training Days	days	50	50	50	50	100.00	100.00	300	15.00	15.00	15.00	15.00	30.00	30.00	120	102		18.00	120.00	-	
Item 3: GYN Specialist DSA cost	days	50	50	50	50	100.00	100.00	75	3.75	3.75	3.75	3.75	7.50	7.50	30	26		4.50	30.00	-	
Subtotal 1.2.3.1 Gender/Youth/Nutrition Traini																					
2. 1.2.3.2 Financial Literacy Training Costs																					
Item 1: FL Specialist Preparation Days	days	1	1	1	1	1.25	1.25	75	0.06	0.06	0.06	0.06	0.09	0.09	0	0		0.06	0.41	-	
Item 2: FL Specialist Training Days	days	38	38	38	38	75.00	75.00	75	2.81	2.81	2.81	2.81	5.63	5.63	23	19		3.38	22.50	-	
Item 3: FL Specialist DSA cost	days	38	38	38	38	75.00	75.00	75	2.81	2.81	2.81	2.81	5.63	5.63	23	19		3.38	22.50	-	
Total :Sub-component 1.2: Technical Services for APGs and Agribusinesses									78.53	78.53	78.53	78.53	136.72	136.72	588	499.43	-	-	-	88.13	587.56
Sub-component 1.3: Matching Grants for Inclusive VC Investment																					
A. APG Matching Grants																					
Matching grant selection call costs	call	1 000	1 000	1 000	1 000	#####	#####	1,000	1.00	1.00	1.00	1.00	2.00	2.00	8	8			8.00	-	
APG Matching Grants	grant	25 000	25 000	25 000	25 000	#####	#####	21,100	527.50	527.50	527.50	527.50	1 055.00	1 055.00	4 220	4 220			4 220.00	-	
APG Matching Grants - Beneficiary Cash C	lumpsum								65.94	65.94	65.94	65.94	131.88	131.88	528		527.5		527.50	-	
APG Matching Grants - Beneficiary In-Kind	lumpsum								65.94	65.94	65.94	65.94	131.88	131.88	528		527.5		527.50	-	
Subtotal APG Matching Grants																					
B. MSME Matching Grants																					
Matching grant selection call costs	call	1 000	1 000	1 000	1 000	#####	#####	1,000	1.00	1.00	1.00	1.00	1.00	1.00	6	6			6.00	-	
MSME Matching Grants	grant	6 250	6 250	6 250	6 250	#####	#####	27,000	168.75	168.75	168.75	168.75	337.50	337.50	1 350	1 350			1 350.00	-	
MSME Matching Grants - Beneficiary Cash	lumpsum								84.38	84.38	84.38	84.38	168.75	168.75	675		675		675.00	-	
MSME Matching Grants - Beneficiary In-Kir	lumpsum								84.38	84.38	84.38	84.38	168.75	168.75	675		675		675.00	-	
Subtotal MSME Matching Grants																					
C. Lead Enterprise Matching Grants																					
Matching grant selection call costs	call	250.00	250.00	250.00	250.00	500.00	500.00	8,000	2.00	2.00	2.00	2.00	4.00	4.00	16	16			16.00	-	
Lead Enterprise Matching Grants	grant	2 500.00	2 500.00	2 500.00	2 500.00	#####	#####	62,500	156.25	156.25	156.25	156.25	156.25	156.25	938		937.50		937.50	-	
Lead Enterprise Cash Contribution - Match	lumpsum								156.25	156.25	156.25	156.25	156.25	156.25	938		937.50		937.50	-	
Lead Enterprise Credit Line	loan	-	-	-	-	#####	#####	100,000	-	-	-	-	250.00	250.00	500	500			500.00	-	
Subtotal Lead Enterprise Matching Grants																					
Total: Sub-component 1.3: Matching Grants for Inclusive VC Investment									1 313	1 313	1 313	1 313	2 563	2 563	10 380	6 100	-	1 055	3 225	-	10 380
Total Component 1: Inclusive Value Chain Development									1 398	1 398	1 398	1 398	2 700	2 700	10 993	6 622	-	1 055	3 225	91	10 993
Component 2: Climate Proofed Value Chain Infrastructure																					
A. Participatory Cluster Infrastructure Investment Planning																					
1. Vehicles																					
4WD Twincabs	no	4 000.00	-	-	-	-	-	60,000	240		-		-		240	240			240.00	-	
2. Workshops																					
Initial ward vists	no	112.50	112.50	112.50	112.50	-	-	250	28.13	28.13	28.13	28.13	-	-	113	112.5			112.50	-	
First dialogue meetings	no	-	-	-	-	50.00	50.00	250	-	-	-	-	12.50	12.50	25	25			25.00	-	
Followup dialogues	no	50.00	50.00	50.00	50.00	62.50	62.50	250	12.50	12.50	12.50	12.50	15.63	15.63	81	81.25			81.25	-	
Preparation of proposals		43.75	43.75	43.75	43.75	57.50	57.50	250	10.94	10.94	10.94	10.94	14.38	14.38	73	72.5			72.50	-	
Subtotal Workshops																					
Subtotal Participatory Cluster Infrastructure Investm																					
B. Climate Proofed Infrastructure Investments																					
1. Smallscale irrigation																					
Design	each	-	-	-	-	225.00	225.00	250	-	-	-	-	56.25	56.25	113	112.5			112.50	-	
Construction	each	-	-	-	-	#####	#####	5,000	-	-	-	-	125.00	125.00	250	250			250.00	-	
Construction supervision	each	-	-	-	-	25.00	25.00	250	-	-	-	-	6.25	6.25	13	12.5			12.50	-	
Subtotal Smallscale irrigation																					
2. Climate proofed road rehabilitation																					
Design	each	-	-	-	-	12.50	12.50	750	-	-	-	-	9.38	9.38	19	18.75			18.75	-	
Construction	each	-	-	-	-	-	-	23,535	-	-	-	-	-	-	-	0			-	-	
Construction supervision	each	-	-	-	-	-	-	750	-	-	-	-	-	-	-	0			-	-	
Subtotal Climate proofed road rehabilitation																					
3. Multi-purpose community water supply																					
Design	each	-	-	-	-	#####	#####	2,050	-	-	-	-	25.63	25.63	51	51.25			51.25	-	
Construction	each	-	-	-	-	-	-	20,500	-	-	-	-	-	-	-	0			-	-	
Construction supervision	each	-	-	-	-	-	-	1,025	-	-	-	-	-	-	-	0			-	-	

[illegible]

Startup workshop	lumpsum								20									20	17					3.00	20.00
IFAD Financial Management Workshop	workshop	-	-	-	-	#####	3,500	-	-					3.50				4	3					0.53	3.50
ABWP Workshops	lumpsum																	40	34					6.00	40.00
Subtotal Workshops														20.00											
F. Manuals																									
Manual development	lumpsum							20	20				-					40	34					6.00	40.00
Manual validation and updating	lumpsum							5.00	5.00				2.50	2.50				15	13					2.25	15.00
Subtotal Manuals																									
G. M&E Systems /e																									
Establish MIS System	lumpsum							25										25	21					3.75	25.00
Server/Cloud costs	lumpsum							5					5.00					10	9					1.50	10.00
Subtotal M&E Systems																									
H. Studies and Surveys																									
Value Chain Analysis	study	500.00	500.00	500.00	500.00	500.00	500.00	10,000	5.00	5.00	5.00	5.00	5.00	5.00				30	26					4.50	30.00
WEAI and Nutrition Baseline Survey	survey	250.00	250.00	250.00	250.00	250.00	-	40,000	10.00	10.00	10.00	10.00	10.00	-	-			40	34					6.00	40.00
Socio economic baseline survey	survey	250.00	250.00	250.00	250.00	250.00	-	40,000	10.00	10.00	10.00	10.00	10.00	-	-			40	34					6.00	40.00
Annual outcome survey	survey	-	-	-	-	250.00	250.00	20,000	-	-	-	-	5.00	5.00				10	9					1.50	10.00
Mid Term and End-line Surveys	survey	-	-	-	-	-	-	50,000	-	-	-	-	-	-				-							
Subtotal Studies and Surveys																									
I. KM Products and Communication																									
KM products and communication activities	lumpsum								3.75	3.75	3.75	3.75	3.75	3.75				23	19					3.38	22.50
J. M&E Equipment																									
Digital camera (professional)	no					-	-	1,000	5.00									5	4					0.75	5.00
A. Salaries																									
1. National PMU																									
National Project Coordinator	pers-month	6.00	3.00	3.00	3.00	3.00	3.00	4,000	0.02	0.01	0.01	0.01	0.01	0.01				0	0					-	0.08
Chief Accountant	pers-month	4.00	3.00	3.00	3.00	3.00	3.00	2,400	0	0.01	0.01	0.01	0.01	0.01				0	0					0.01	0.05
Chief Accountant (seconded)	pers-month	-	-	-	-	-	-	572	-	-	-	-	-	-				-	-					-	-
Senior VC and Agribusiness Advisor	pers-month	4.00	3.00	3.00	3.00	3.00	3.00	3,500	0	0.01	0.01	0.01	0.01	0.01				0	0					-	0.07
Senior CSA Advisor	pers-month	4.00	3.00	3.00	3.00	3.00	3.00	3,500	0	0.01	0.01	0.01	0.01	0.01				0	0					-	0.07
Senior Infrastructure Specialist	pers-month	3.00	3.00	3.00	3.00	3.00	3.00	572	1.72	1.72	1.72	1.72	1.72	1.72				10	8					2.16	10.30
50% Senior Social Inclusion Specialist	pers-month	3.00	3.00	3.00	3.00	3.00	3.00	286	0.86	0.86	0.86	0.86	0.86	0.86				5	4					1.08	5.15
M&E and Planning Specialist	pers-month	3 000.00	3 000.00	3 000.00	3 000.00	#####	#####	2,400	7.20	7.20	7.20	7.20	7.20	7.20				43	34					9.07	43.20
M&E and Planning Specialist (seconded)	pers-month	-	-	-	-	-	-	572	-	-	-	-	-	-				-	-					-	-
50% KM and Comms Specialist	pers-month	6.00	3.00	3.00	3.00	3.00	3.00	286	1.72	0.86	0.86	0.86	0.86	0.86				6	5					1.26	6.01
Procurement Officer	pers-month	3 000.00	3 000.00	3 000.00	3 000.00	#####	#####	2,400	7.20	7.20	7.20	7.20	7.20	7.20				43	36					6.91	43.20
Procurement Officer (seconded)	pers-month	-	-	-	-	-	-	534	-	-	-	-	-	-				-	-					-	-
Financial Accountant (Officer)	pers-month	3.00	3.00	3.00	3.00	3.00	3.00	210	0.63	0.63	0.63	0.63	0.63	0.63				4	2					1.51	3.78
Assistant VC and AgB Specialist (Officer)	pers-month	3.00	3.00	3.00	3.00	3.00	3.00	210	0.63	0.63	0.63	0.63	0.63	0.63				4	2					1.51	3.78
50% Office Secretary	pers-month	3.00	3.00	3.00	3.00	3.00	3.00	103	0.31	0.31	0.31	0.31	0.31	0.31				2	1					0.74	1.85
50% Procurement Assistant	pers-month	3.00	3.00	3.00	3.00	3.00	3.00	103	0.31	0.31	0.31	0.31	0.31	0.31				2	1					0.74	1.85
Procurement Clerk	pers-month							103																	
Driver / Office Assistant	pers-month	3.00	3.00	3.00	3.00	3.00	3.00	171	0.51	0.51	0.51	0.51	0.51	0.51				3	2					1.23	3.08
Subtotal National PMU																									
2. Provincial PMU																									
Senior VC and AgB Specialist / Prov. Coord	pers-month	12.00	12.00	12.00	12.00	12.00	12.00	572	6.86	6.86	6.86	6.86	6.86	6.86				41	33					8.65	41.18
CSA Specialist	pers-month	12.00	12.00	12.00	12.00	12.00	12.00	367	4.40	4.40	4.40	4.40	4.40	4.40				26	18					8.72	26.42
Infrastructure Officer	pers-month	12.00	12.00	12.00	12.00	12.00	12.00	210	2.52	2.52	2.52	2.52	2.52	2.52				15	9					6.05	15.12
M&E and Planning Officer	pers-month	12.00	12.00	12.00	12.00	12.00	12.00	210	2.52	2.52	2.52	2.52	2.52	2.52				15	9					6.05	15.12
Social Inclusion Officer	pers-month	12.00	12.00	12.00	12.00	12.00	12.00	210	2.52	2.52	2.52	2.52	2.52	2.52				15	9					6.05	15.12
Junior Procurement Officer	pers-month	12.00	12.00	12.00	12.00	12.00	12.00	210	2.52	2.52	2.52	2.52	2.52	2.52				15	9					6.05	15.12
Driver / Office Assistant	pers-month	12.00	12.00	12.00	12.00	12.00	12.00	171	2.05	2.05	2.05	2.05	2.05	2.05				12	7					4.92	12.31
Subtotal Provincial PMU																									
Subtotal Salaries																									
B. Per Diem In-Country Travel																									
PMU	pers-day	25.00	25.00	25.00	25.00	25.00	25.00	75	1.88	1.88	1.88	1.88	1.88	1.88				11	11						11.25
Provincial and District	pers-day	87.50	87.50	87.50	87.50	87.50	87.50	75	6.56	6.56	6.56	6.56	6.56	6.56				39	39						39.38
Subtotal Per Diem In-Country Travel																									
C. District Extension Officer Allowance																									
District Extension Officer Allowance	lumpsum								5.00	5.00	5.00	5.00	5.00	5.00				30	30						30.00
D. Vehicle Operation and Maintenance																									
PMU vehicles	lumpsum								5.74	5.74	5.74	5.74	5.74	5.74				34	31					3.44	34.43
Provincial vehicles	lumpsum								9.23	9.23	9.23	9.23	9.23	9.23				55	50					5.54	55.39
District vehicles	lumpsum								6.32	6.32	6.32	6.32	6.32	6.32				38	34					3.79	37.94

[illegible]

Zimbabwe

Smallholder Agriculture Cluster Project Project Design Report

Annex 7: Procurement Plan for first 18 months

Mission Dates: 25 May - 19 June 2020
Document Date: 28/01/2021
Project No. 2000002341
Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department

Procurement Plan SUMMARY				
Country:	The Republic of Zimbabwe			
Project Name:	Small Community Agriculture Project (SCAP)			
Project ID:				
Version	1.0			
Version Date	18-Jun-20			
Prepared by:	Rym Ghazzali			
Approved by:	TBC			
Procurement Category	Plan		Actual	
Currency	USD	LCU	USD	LCU
Goods	1 790 257.00	-	-	-
Works	1 783 875.00	-	-	-
Consulting Services	2 832 505.70	-	-	-
TOTAL	6 406 637.70	-	-	-

Prior Review Thresholds					
Thresholds	Goods	Works	Non-Consulting Services	Firms - Consulting Services	Individuals - Consulting Services
Prior Review	≥ US\$ 50 000	≥ US\$ 100 000	≥ US\$ 100 000	≥ US\$ 30 000	≥ US\$ 30 000

All Direct Contracting and Single-Source Procurements are **Prior Review** (in alignment with IFAD Procurement Handbook).

Procurement Method Thresholds			
	Shopping	NCB	ICB
Goods	< US\$ 50 000	≥ US\$ 50 000 to ≤ US\$ 150 000	> US\$ 150 000
Works	< US\$ 145 000	≥ US\$ 145 000 to ≤ US\$ 500 000	> US\$ 500 000
Non-Consulting Services	< US\$ 50 000	> US\$ 50 000 to < US\$ 150 000	> US\$ 150 000
	ICS/CQS	LCS	QCBS
Individuals	< US\$ 50 000	≥ US\$ 50 000 to ≤ US\$ 80 000	> US\$ 80 000
Firms	< US\$ 50 000	≥ US\$ 50 000 to ≤ US\$ 80 000	> US\$ 80 000

Procurement Plan - Goods

The Republic of Zimbabwe

Small Community Agriculture Project (SCAP)

Project ID:

Prepared by: Rym Ghazzali

Approved by: TBC

Total Amount

USD	LCU	
1 790 257.00	0.00	Plan
0.00	0.00	Actual

Version	1.0	18-Jun-20	Basic Data										
AWPB/Component Ref	Nº	Description	Funding	Lot Nº/Description	Project Area	Plan vs. Actual	Pre-or Post Qualification	Prior or Post Review	Procurement Method	Envelopes	Amount (USD)	Amount (LCU)	Plan vs. Actual
3.2.1 (A)	1	4WD Twincabs	IFAD (100%)	10 units	Participatory Cluster Infrastructure Investment (4) & Project Management Unit (2)	Plan	Post-Qual	Prior Review	ICB	1	900 000.00		Plan
3.2.1 (B)						Actual					-	-	Actual
3.2.1 (A)	2	Minibus	IFAD (100%)	1 unit	Project Management Unit	Plan	Post-Qual	Prior Review	ICB	1	90 900.00		Plan
						Actual					-	-	Actual
3.2.1 (D)	3	Vehicle Operation and maintenance	OFID (100%)	7 units	Participatory Cluster Infrastructure Investment (4) & Project Management Unit (2)	Plan	Post-Qual	Post Review	DC	1	127 755.00		Plan
						Actual					-	-	Actual
3.2(C) & (D)	4	Motorcycles	IFAD (100%)	40 units	Provincial Offices & District Offices	Plan	Post-Qual	Prior Review	ICB	1	372 000.00		Plan
						Actual					-	-	Actual
3.2.2 (A)	5	IT equipment (laptops /c; external hard drives; desk screens; network storage)	IFAD (100%)	69 laptops, 56 external storages, 13 desk screens, 1 network	Project Management Unit & Provincial Offices & District Offices	Plan	Post-Qual	Prior Review	ICB	1	146 330.00		Plan
3.2.2 (B)						Actual					-	-	Actual
3.2.2 (C)	6	Mobile phones	IFAD (100%)	74 units	Project Management Unit & Provincial Offices & District Offices	Plan	Post-Qual	Post Review	NCB	1	46 842.00		Plan
						Actual					-	-	Actual
3.2.2 (A)	7	Office equipment	IFAD (100%)	9 units	Project Management Unit & Provincial Offices & District Offices	Plan	Post-Qual	Prior Review	NCB	1	82 800.00		Plan
3.2.2 (B)						Actual					-	-	Actual
3.2.2 (C)	8	Photocopier/printer	IFAD (100%)	9 units	Project Management Unit & Provincial Offices & District Offices	Plan	Post-Qual	Prior Review	NS	1	18 630.00		Plan
3.2.2 (C)						Actual					-	-	Actual
3.2.2 (J)	9	Digital camera (professional)	IFAD (100%)	5 units	M&E Equipment	Plan	Post-Qual	Post Review	NS	1	5 000.00		Plan
						Actual					-	-	Actual

3.2.1 (A) This purchase should be launched as a package together with the 4WD Twincab under one process for standardisation purposes, therefore suggested as ICB modality (900000 + 90000 = 990000 US\$).

3.2.1 (D) Direct sourcing from the vehicle supplier.

3.2.1 (C) & (D) Proposed as one off purchase advertised at the beginning of the project implementation.

Procurement Plan - Goods

The Republic of Zimbabwe

Small Community Agriculture Project (SCAP)

Project ID:

Prepared by: Rym Ghazzali

Approved by: TBC

Version	1.0	18-Jun-20	Pre-Qualification						Bidding Process				
AWPB/Component Ref	No	Description	Submission of PreQual Docs	No Objection Date	PreQual Invitation Date	PreQual Closing Date	Submission of PreQual Report	No Objection Date	Submission of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening	Submission Tech Eval Rpt
3.2.1 (A) 3.2.1 (B)	1	4WD Twincabs	N/A	N/A	N/A	N/A	N/A	N/A	1-Feb-21	8-Feb-21	10-Feb-21	27-Mar-21	N/A
3.2.1 (A)	2	Minibus	N/A	N/A	N/A	N/A	N/A	N/A	1-Feb-21	8-Feb-21	10-Feb-21	27-Mar-21	N/A
3.2.1 (D)	3	Vehicle Operation and maintenance	N/A	N/A	N/A	N/A	N/A	N/A	1-Aug-20	8-Aug-20	9-Aug-20	23-Aug-20	N/A
3.2(C) & (D)	4	Motorcycles	N/A	N/A	N/A	N/A	N/A	N/A	1-Feb-21	8-Feb-21	10-Feb-21	27-Mar-21	N/A
3.2.2 (A) 3.2.2 (B)	5	IT equipment (laptops /c; external hard drives; desk screens; network storage)	N/A	N/A	N/A	N/A	N/A	N/A	25-Jan-20	1-Feb-20	3-Feb-20	19-Mar-20	N/A
3.2.2 (C)	6	Mobile phones	N/A	N/A	N/A	N/A	N/A	N/A	30-Jan-20	N/A	1-Feb-20	17-Mar-20	N/A
3.2.2 (A) 3.2.2 (B) 3.2.2 (C)	7	Office equipment	N/A	N/A	N/A	N/A	N/A	N/A	25-Jan-20	1-Feb-20	3-Feb-20	19-Mar-20	N/A
3.2.2 (A) 3.2.2 (B) 3.2.2 (C)	8	Photocopier/printer	N/A	N/A	N/A	N/A	N/A	N/A	25-Jan-20	1-Feb-20	10-Feb-21	24-Feb-21	N/A
3.2.2 (J)	9	Digital camera (professional)	N/A	N/A	N/A	N/A	N/A	N/A	25-Jan-20	N/A	26-Jan-20	27-Mar-21	N/A

3.2.1 (A) This purchase should be launched as a package together with the
3.2.1 (D) Direct sourcing from the vehicle supplier.
3.2.1 (C) & (D) Proposed as one off purchase advertised at the beginning of

Procurement Plan - Goods

The Republic of Zimbabwe

Small Community Agriculture Project (SCAP)

Project ID:

Prepared by: Rym Ghazzali

Approved by: TBC

Procurement Methods

NS: National Shopping
IS: International Shopping
NCB: National Competitive Bidding
ICB: International Competitive Bidding
LIB: Limited (International) Bidding
DC: Direct Contracting

Version	1.0	18-Jun-20	Bid Evaluation			Contract Award & Signature			
AWPB/Component Ref	No	Description	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Issue of NOITA&Standstill	Date Contract Award	Date Contract Signature
3.2.1 (A) 3.2.1 (B)	1	4WD Twincabs	N/A	17-Apr-21	24-Apr-21	Plan	6-May-21	13-May-21	15-May-21
3.2.1 (A)	2	Minibus	N/A	17-Apr-21	24-Apr-21	Plan	6-May-21	13-May-21	15-May-21
						Actual			
3.2.1 (D)	3	Vehicle Operation and maintenance	N/A	30-Aug-20	6-Sep-20	Plan	6-Sep-20	13-Sep-20	15-Sep-20
						Actual			
3.2(C) & (D)	4	Motorcycles	N/A	17-Apr-21	24-Apr-21	Plan	6-May-21	13-May-21	15-May-21
						Actual			
3.2.2 (A) 3.2.2 (B)	5	IT equipment (laptops /c; external hard drives; desk screens; network storage)	N/A	9-Apr-20	16-Apr-20	Plan	28-Apr-20	5-May-20	7-May-20
						Actual			
3.2.2 (C)	6	Mobile phones	N/A	31-Mar-20	N/A	Plan	12-Apr-20	19-Apr-20	21-Apr-20
						Actual			
3.2.2 (A) 3.2.2 (B) 3.2.2 (C)	7	Office equipment	N/A	2-Apr-20	9-Apr-20	Plan	21-Apr-20	28-Apr-20	30-Apr-20
						Actual			
3.2.2 (A) 3.2.2 (B) 3.2.2 (C)	8	Photocopier/printer	N/A	3-Mar-21	10-Mar-21	Plan	10-Mar-21	12-Mar-21	14-Mar-21
						Actual			
3.2.2 (J)	9	Digital camera (professional)	N/A	3-Apr-21	N/A	Plan	3-Apr-21	5-Apr-21	7-Apr-21
						Actual			

3.2.1 (A) This purchase should be launched as a package together with the

3.2.1 (D) Direct sourcing from the vehicle supplier.

3.2.1 (C) & (D) Proposed as one off purchase advertised at the beginning of

Procurement Plan - Consulting

The Republic of Zimbabwe

Small Community Agriculture Project (SCAP)

Project ID:

Approved by: Rym Ghazzali

Prepared by: Rym Ghazzali

Total Amount

USD

LCU

2 832 505.70	0.00	Plan
0.00	0.00	Actual

Version 1.0 21-Jul-01			Basic Data										
AWPB/Component Ref	Nº	Description*	Funding	Project Area	Plan vs. Actual	Shortlist (Yes No)	Prior or Post Review	Procurement Method	Amount (USD)	Amount (LCU)	Plan vs. Actual	Submission of REOI	No Objection Date
I.A.1	1	Community Mobilization Consultant	IFAD (100%)	Mobilisation (preparations)	Plan Actual	Yes	Prior Review	ICS	8 700.00 -	-	Plan Actual	25-Jan-21	1-Feb-21
II.A.1	2	Workshop venue	IFAD (100%)	Provincial Workshop Participant and Venue	Plan Actual	No	Post Review	LCS	2 999.70 -	-	Plan Actual	N/A	N/A
1.1.2.1.1	3	Lead Enterprise Proposal Preparation (IC)	IFAD (100%)	Business Development Services	Plan Actual	Yes	Prior Review	ICS	10 250.00 -	-	Plan Actual	25-Feb-21	4-Mar-21
1.1.2.1.1	4	Venue for Training Days for Lead Enterprise Proposal	IFAD (100%)	Business Development Services	Plan Actual	No	Post Review	LCS	8 000.00 -	-	Plan Actual	1-Jan-21	N/A
2.1.2.1.2	5	MSME Business Development Services (IC)	IFAD (100%)	Business Development Services	Plan Actual	Yes	Prior Review	ICS	81 000.00 -	-	Plan Actual	25-Mar-21	1-Apr-21
3.1.2.1.3	6	APG BDS TOT and Coaching (FA minim. 2 companies each covering 2 provinces)	IFAD (100%)	Business Development Services	Plan Actual	No	Prior Review	QCBS	158 250.00 -	-	Plan Actual	20-Mar-21	N/A
1.1.2.2.1	7	Agritex Specialist	IFAD (100%)	CSA Productivity Enhancement	Plan Actual	No	Prior Review	SSS	62 250.00 -	-	Plan Actual	18-Jan-21	N/A
1.1.2.2.1	8	Venue for Training Days for CSA TOT and Coaching	IFAD (100%)	CSA Productivity Enhancement	Plan Actual	No	Prior Review	LCS	9 700.00 -	-	Plan Actual	1-Jan-21	N/A
1.1.2.3.1	9	Gender/Youth/Nutrition (up to 4 providers/ one per Province)	IFAD (100%)	Improved Nutrition and Food Security	Plan Actual	No	Prior Review	QCBS	612 000.00 -	-	Plan Actual	1-Jan-21	N/A
2.1.2.3.2	10	Financial Literacy Specialist (1 commercial Bank)	IFAD (100%)	Improved Nutrition and Food Security	Plan Actual	Yes	Prior Review	QBS	181 500.00 -	-	Plan Actual	1-Jan-21	8-Jan-21
2.1.2.3.2 2.1.2.3.2 1.1.2.3.1	11	Workshops	OFID (100%)	Participatory Cluster Infrastructure Investment Planning /b	Plan Actual	No	Post Review	LCS	580 950.00 -	-	Plan Actual	18-Jan-20	N/A
	12	Research, documentation and publications /b (IC) (at least 16 researches)	IFAD (75%)	National and VC Policy Development & Support	Plan Actual	Yes	Prior Review	QCBS	198 750.00 -	-	Plan Actual	2-Feb-20	9-Feb-20

Procurement Plan - Consulting

The Republic of Zimbabwe

Small Community Agriculture Project (SCAP)

Project ID:

Approved by: Rym Ghazzali

Prepared by: Rym Ghazzali

Version 1.0 21-Jul-01			EOI Shortlist Procedure				Proposal Process				Evaluation		
AWPB/Component Ref	Nº	Description*	REOI Launch Date	EOI Submission Deadline	Submission of Shortlist Report	No Objection Date	Submission of RFP/RCQ	No-objection Date	RFP/RCQ Launch Date	Proposal submission deadline	Submission of TER	No-objection Date	Submission of CER
I.A.1	1	Community Mobilization Consultant	3-Feb-21	24-Feb-21	10-Mar-21	17-Mar-21	21-Mar-21	28-Mar-21	30-Mar-21	20-Apr-21	4-May-21	11-May-21	N/A
II.A.1	2	Workshop venue	N/A	N/A	N/A	N/A	Enter Date	N/A				N/A	
1.1.2.1.1	3	Lead Enterprise Proposal Preparation (IC)	6-Mar-21	27-Mar-21	10-Apr-21	17-Apr-21	21-Apr-21	28-Apr-21	30-Apr-21	21-May-21	4-Jun-21	11-Jun-21	N/A
1.1.2.1.1	4	Venue for Training Days for Lead Enterprise Proposal	N/A	N/A	N/A	N/A	Enter Date	N/A				N/A	
2.1.2.1.2	5	MSME Business Development Services (IC)	3-Apr-21	24-Apr-21	8-May-21	15-May-21	19-May-21	26-May-21	28-May-21	18-Jun-21	2-Jul-21	9-Jul-21	N/A
3.1.2.1.3	6	APG BDS TOT and Coaching (FA minim. 2 companies each covering 2 provinces)	N/A	N/A	N/A	N/A	Enter Date						
1.1.2.2.1	7	Agritex Specialist	N/A	N/A	N/A	N/A	Enter Date				N/A	N/A	
1.1.2.2.1	8	Venue for Training Days for CSA TOT and Coaching	N/A	N/A	N/A	N/A	Enter Date						
1.1.2.3.1	9	Gender/Youth/Nutrition (up to 4 providers/ one per Province)	N/A	N/A	N/A	N/A	Enter Date						
2.1.2.3.2	10	Financial Literacy Specialist (1 commercial Bank)	10-Jan-21	31-Jan-21	14-Feb-21	21-Feb-21	25-Feb-21	4-Mar-21	6-Mar-21	20-Apr-21	4-May-21	11-May-21	N/A
2.1.2.3.2 2.1.2.3.2 1.1.2.3.1	11	Workshops	N/A	N/A	N/A	N/A	Enter Date	N/A				N/A	
	12	Research, documentation and publications /b (IC) (at least 16 researches)	11-Feb-20	3-Mar-20	17-Mar-20	24-Mar-20	28-Mar-20	4-Apr-20	6-Apr-20	21-May-20	4-Jun-20	11-Jun-20	25-Jun-20

Procurement Plan - Consulting

The Republic of Zimbabwe

Small Community Agriculture Project (SCAP)

Project ID:

Approved by: Rym Ghazzali

Prepared by: Rym Ghazzali

Selection Methods

QCBS: Quality and Cost-Based Selection

QBS: Quality-Based Selection

CQS: Selection by Consultants' Qualifications

LCS: Least-Cost Selection

FBS Fixed Budget Selection

ICS: Individual Consultants Selection

SSS: Sole Source Selection

Version 1.0 21-Jul-01					Contract Award & Signature					
AWPB/Component Ref	Nº	Description*	No-objection Date	Plan vs. Actual	Issue of NOITA&Standstill	Negotiations completed	Submission of Draft Contract and MoN	No-objection Date	Date Contract Award	Date Contract Signature
I.A.1	1	Community Mobilization Consultant	N/A	Plan Actual	23-May-21	6-Jun-21	10-Jun-21	17-Jun-21	19-Jun-21	26-Jun-21
II.A.1	2	Workshop venue	N/A	Plan Actual				N/A		
1.1.2.1.1	3	Lead Enterprise Proposal Preparation (IC)	N/A	Plan Actual	23-Jun-21	7-Jul-21	11-Jul-21	18-Jul-21	20-Jul-21	27-Jul-21
1.1.2.1.1	4	Venue for Training Days for Lead Enterprise Proposal	N/A	Plan Actual				N/A		
2.1.2.1.2	5	MSME Business Development Services (IC)	N/A	Plan Actual	21-Jul-21	4-Aug-21	8-Aug-21	15-Aug-21	17-Aug-21	24-Aug-21
3.1.2.1.3	6	APG BDS TOT and Coaching (FA minim. 2 companies each covering 2 provinces)		Plan Actual						
1.1.2.2.1	7	Agritex Specialist		Plan Actual	N/A					
1.1.2.2.1	8	Venue for Training Days for CSA TOT and Coaching		Plan Actual						
1.1.2.3.1	9	Gender/Youth/Nutrition (up to 4 providers/ one per Province)		Plan Actual						
2.1.2.3.2	10	Financial Literacy Specialist (1 commercial Bank)	N/A	Plan Actual	23-May-21	13-Jun-21	17-Jun-21	24-Jun-21	26-Jun-21	3-Jul-21
2.1.2.3.2 1.1.2.3.1	11	Workshops	N/A	Plan Actual				N/A		
	12	Research, documentation and publications /b (IC) (at least 16 researches)	2-Jul-20	Plan Actual	14-Jul-20	4-Aug-20	8-Aug-20	15-Aug-20	17-Aug-20	24-Aug-20

Procurement Plan - Goods

The Republic of Zimbabwe

Small Community Agriculture Project (SCAP)

Project ID:

Approved by: Rym Ghazzali

Prepared by: Rym Ghazzali

Total Amount		
USD	LCU	
1 783 875.00	0.00	Plan
0.00	0.00	Actual

Version 1.0 18-Jun-20			Basic Data										
AWPB/Component Ref	Nº	Description	Funding	Lot Nº/Description	Project Area	Plan vs. Actual	Pre-or Post Qualification	Prior or Post Review	Procurement Method	Envelopes	Amount (USD)	Amount (LCU)	Plan vs. Actual
I.B.1	1	Design & Construction supervision	OFID (100%)	multiple lots	Smallscale irrigation	Plan	Post-Qual	Prior Review	NCB	1	875 000.00		Plan
						Actual					-	-	Actual
I.B.1 I.B.2	2	Design & Construction supervision	OFID (100%)	multiple lots	Climate proofed road rehabilitation	Plan	Post-Qual	Prior Review	NCB	1	262 500.00		Plan
						Actual					-	-	Actual
I.B.3	3	Design & Construction supervision	OFID (100%)	multiple lots	Multi-purpose community water supply	Plan	Post-Qual	Post Review	NCB	1	307 500.00		Plan
						Actual					-	-	Actual
I.B.1 I.B.2 I.B.3	4	Construction	OFID (100%)	multiple lots	Smallscale irrigation & Climate proofed road rehabilitation & Multi-purpose community water	Plan	Post-Qual	Post Review	NCB	1	313 000.00		Plan
						Actual					-	-	Actual
I.A.2	5	Office refurbishment	IFAD (100%)	5 lots	Project Management Unit & Provincial Offices &	Plan	Post-Qual	Post Review	NCB	1	25 875.00		Plan
						Actual					-	-	Actual

I.B.1. Multiple lots launhed in different provinces to attract local construction companies as to ensure value for money.

I.B.2. Multiple lots launhed in different provinces to attract local supervision companies as to ensure value for money.

Procurement Plan - Goods

The Republic of Zimbabwe

Small Community Agriculture Project (SCAP)

Project ID:

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Prepared by: Rym Ghazzali

Version			Pre-Qualification						Bidding Process				
1.0	18-Jun-20												
AWPB/Component Ref	Nº	Description	Submission of PreQual Docs	No Objection Date	PreQual Invitation Date	PreQual Closing Date	Submission of PreQual Report	No Objection Date	Submission of BD	No-objection Date	Bid Invitation Date	Bid Closing-Opening	Submission Tech Eval Rpt
I.B.1	1	Design & Construction supervision	N/A	N/A	N/A	N/A	N/A	N/A	28-Jan-21	4-Feb-21	6-Feb-21	23-Mar-21	N/A
I.B.1 I.B.2	2	Design & Construction supervision	N/A	N/A	N/A	N/A	N/A	N/A	20-Feb-21	27-Feb-21	1-Mar-21	15-Apr-21	N/A
I.B.3	3	Design & Construction supervision	N/A	N/A	N/A	N/A	N/A	N/A	15-Mar-21	N/A	17-Mar-21	1-May-21	N/A
I.B.1 I.B.2 I.B.3	4	Construction	N/A	N/A	N/A	N/A	N/A	N/A	20-Jan-22	N/A	22-Jan-22	8-Mar-22	N/A
I.A.2	5	Office refurbishment	N/A	N/A	N/A	N/A	N/A	N/A	4-Feb-21	N/A	6-Feb-21	23-Mar-21	N/A

I.B.1. Multiple lots launched in different provinces to attract local construction firms

I.B.2. Multiple lots launched in different provinces to attract local supervision firms

Procurement Plan - Goods

The Republic of Zimbabwe

Small Community Agriculture Project (SCAP)

Project ID:

Approved by: Rym Ghazzali

Prepared by: Rym Ghazzali

Procurement Methods

NS: National Shopping
IS: International Shopping
NCB: National Competitive Bidding
ICB: International Competitive Bidding
LIB: Limited (International) Bidding
DC: Direct Contracting

Version	1.0	18-Jun-20	Bid Evaluation				Contract Award & Signature		
AWPB/Component Ref	No	Description	No-objection Date	Submission Combined Eval Rpt*	No-objection Date	Plan vs. Actual	Issue of NOITA&Standstill	Date Contract Award	Date Contract Signature
I.B.1	1	Design & Construction supervision	N/A	6-Apr-21	13-Apr-21	Plan	25-Apr-21	2-May-21	4-May-21
I.B.1 I.B.2	2	Design & Construction supervision	N/A	29-Apr-21	6-May-21	Plan Actual	18-May-21	25-May-21	27-May-21
I.B.3	3	Design & Construction supervision	N/A	15-May-21	N/A	Plan Actual	27-May-21	3-Jun-21	5-Jun-21
I.B.1 I.B.2 I.B.3	4	Construction	N/A	22-Mar-22	N/A	Plan Actual	3-Apr-22	10-Apr-22	12-Apr-22
I.A.2	5	Office refurbishment	N/A	6-Apr-21	N/A	Plan Actual	18-Apr-21	25-Apr-21	27-Apr-21

I.B.1. Multiple lots launched in different provinces to attract local construction

I.B.2. Multiple lots launched in different provinces to attract local supervision

Zimbabwe

Smallholder Agriculture Cluster Project

Project Design Report

Annex 8: Project Implementation Manual (PIM)

Mission Dates: 25 May - 19 June 2020

Document Date: 28/01/2021

Project No. 2000002341

Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department

REPUBLIC OF ZIMBABWE

SMALLHOLDER AGRICULTURE CLUSTER PROJECT (SACP)

PROJECT IMPLEMENTATION MANUAL

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SMALLHOLDER AGRICULTURE CLUSTER PROJECT (SACP)

Project Implementation Manual

PROJECT PURPOSE, OPERATIONAL AREA AND TARGETING

A. SACP Rationale, Objectives and Structure

Project Rationale. To transform smallholder agriculture and increase productivity and rural incomes, the Government of Zimbabwe's strategy, as elaborated in the National Agriculture Policy Framework 2018-2030 (NAPF), relies on organising smallholders into well-governed and well-functioning cohesive groups and associations; connecting them to profitable value chains and markets; developing smallholders' capacity in climate smart production and in marketing and business skills; and revitalising market access infrastructure. The Ministry of Lands, Agriculture, Water and Rural Resettlement (MLAWRR) confirmed the Government's commitment to transform smallholder agriculture by using the private sector-led value chain approach as a critical instrument in this commercialisation process.

As the afore-mentioned strategies/approaches are also at the core of IFAD's policies for smallholder agriculture transformation, the new SACP intervention will be based on this overall approach of using private sector-led VCs as crucial instruments for climate-smart and commercially viable smallholder development. SACP is fully in line with the COSOP's overall transformation target and its objectives of reducing poverty and improving incomes along the VCs, through better market access and climate-smart and more effective production systems. The strong capacity building focus and effective targeting of SACP activities will ensure that IFAD's corporate mainstreaming priorities in CC, gender, youth and nutrition issues are appropriately built into the project design.

SACP is an initial intervention within the framework of a longer-term programming approach: If the SACP strategies and implementation approaches prove successful, they can provide an appropriate framework for the interventions when designing future IFAD-supported projects in Zimbabwe. Furthermore, key international development partners share the same strategic views on smallholder agricultural transformation, which is anchored on climate resilience. The major lenders (e.g. World Bank and AfDB) are, however, currently unable to invest in Zimbabwe due to arrears. In this situation, it is likely that the experiences and results from SACP implementation will influence the project designs of the larger international financiers, too, when their lending to Zimbabwe resumes.

Goal and Development Objective. The project goal of the proposed SACP is: "Increased household incomes and improved nutrition, through sustainable transformation of the smallholder farming sector". The Project Development Objective of SACP is: "Increased equitable smallholder participation in market-oriented and climate-smart value chains".

Project Structure. The activities of SACP are organised in four mutually interdependent components: Component 1: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure; Component 3: Policy and Institutional Support and Project Coordination; and Component 4: Contingency Emergency Response.

Component 1 is the key investment component of SACP. The component design reflects the situation Zimbabwe, in which the country's gaps in smallholder-based value chain organization result in low productivity and low farmer incomes. Challenges persist in

commercial smallholder production systems, and the financial sector is unable to channel urgently required financing for investments by smallholder farmers and agribusinesses. Component 1 of SACP is designed to address these challenges through the activities in three inter-related sub-components: 1.1: Expressions of Interest, Cluster Identification and VC Mobilization, 1.2: Technical Services for APGs and Agribusinesses, and 1.3: Matching Grants for Inclusive Value Chain Investment.

The objective of Component 2 is to improve irrigation water supply and management, domestic water supply, and local level feeder roads, to facilitate the commercialisation of smallholder agriculture. The implementation of activities under this component will encourage private sector investments in SACP areas, promote the production and marketing of large quantities of quality produce and reduce the time and cost of transport to the markets. The component will invest in public and semi-public infrastructure. Value chain infrastructure of a strictly private nature will be financed under Component 1 of SACP. Component 2 consists of two sub-components: Sub-component 2.1: Participatory ward level infrastructure investment planning, and Sub-component 2.2: Climate proofed infrastructure investments.

Component 3 is divided into two sub-components: 3.1. Policy and Institutional Support and 3.2. Project Coordination. The purpose of Sub-component 3.1 activities is to support the efforts to create a conducive policy and institutional environment for private sector-led smallholder agriculture transformation in Zimbabwe. Sub-component 3.2: Project Coordination covers the coordination and management functions of SACP, including the management of project implementation operations in the provinces and districts and SACP activities in the areas of financial management, procurement, and M&E and knowledge management.

Component 4, Contingency Emergency Response. Given the recurrent weather extremes in Zimbabwe, in particular droughts, this component has been included in SACP to enable IFAD to respond urgently in its support to smallholder farmers, who are the most impacted. Specifically, this component is expected to facilitate and expedite the implementation of level-2 project restructuring, in the event of an emergency or disaster. As it is a placeholder for emergency funds, it has a zero allocation at design.

B. Geographic Targeting

The project will be implemented in five of the ten Zimbabwean provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. The geographic targeting was based on highest incidence and prevalence of poverty¹, high food and nutrition insecurity, and areas most prone to drought and other climatic shocks. The Midlands province provides an overlap between SACP and SIRP targeted areas, in order to provide lesson learning and synergies between the two projects, as well as an opportunity to fast track SACP implementation at early stage. The project implementation will be phased with operations starting with value chains already identified in the SIRP-covered districts, which will also support the fast start-up of SACP's field activities.

Poverty prevalence rates in Zimbabwe are increasing, with 76.9 per cent of the rural households classified poor compared to 30.4 per cent of urban households². The majority of the population lives in rural areas with livelihoods mainly based on rainfed agricultural production, characterised by low input use and low productivity. Due to the decline in formal employment, many workers are engaged in poorly remunerated informal jobs. The data on prevalence of poverty is shown in Table 1:

¹ http://www.zimstat.co.zw/sites/default/files/img/publications/Prices/Poverty_Report_2017.pdf

² World Bank 2019

Table 1: Poverty prevalence and extreme poverty prevalence by province (targeted provinces are shaded)

Province	Population	Poverty Prevalence by Province. %	Extreme Poverty Prevalence %	Proportion of rural poor households %	Rural poverty prevalence %
Mashonaland Central	1,152,520	81.6	41.2	16.1	84.7
Matebeleland North	749,017	74.3	33.3	12.5	78.6
Mashonaland West	1,501,656	71.1	31.6	10.5	82.7
Manicaland	1,752,698	71	27.9	12.2	78.7
Mashonaland East	1,344,955	65.6	22.2	14.0	71.3
Masvingo	1,485,090	64.8	20.7	10.0	71.5
Midlands	1,614,941	63	21.8	11.9	77.6
Matebeleland South	683,893	62.8	17.8	11.0	68.5
Harare	2,123,132	31.1	3.8		
Bulawayo	653,337	22.3	0.9		
Total	13,061,239				76.9

Source: PICES 2017

According to 2017 Zimbabwe Poverty, Income, Consumption and Expenditure Survey³, targeted provinces rank 1st, 2nd, 3rd, 5th and 7th out of the ten Zimbabwean Provinces in poverty prevalence for Mashonaland Central, Matebeleland North, Mashonaland West, Mashonaland East Provinces, and Midlands, respectively. Extreme poverty is highest in Mashonaland Central Province with 41.2 per cent of the population below the food poverty line, followed by Matabeleland North Province with 33.3 per cent, Mashonaland West with 31.6 per cent, Mashonaland East with 22.2 per cent and Midlands with 21.8 per cent.

Mashonaland Central Province had the highest proportion of poor households, (16.1 per cent) followed by Mashonaland East Province with 14.0 per cent, Matabeleland North Province at 12.5 per cent, and Midlands Province with 11.5 per cent. In addition to containing the highest proportion of Zimbabwe's rural poor, Mashonaland Central Province had the highest prevalence of rural poverty, 84.7 per cent of rural households in the province were poor.

Rural poverty was most prevalent in communal lands (CL) (79.2 percent), followed by resettlement areas (RA) with 76.4 per cent. Extreme poverty was most prevalent in CLs with 34.0 per cent when compared with 29.9 per cent for RAs. In rural areas, communal and resettlement farmers constituted 80.6 per cent of the economically active population. Moreover, households headed by communal and resettlement farmers (old resettlement and A1 farmers) suffered from the greatest poverty prevalence, 82.9 per cent, compared to other employment types.

³ ZIMSTAT (2019)

With regards to nutrition, the ZimVac of 2018 and 2019, and the MICS 2019 reports⁴, show that the most vulnerable households for malnutrition are: female and child-headed households, households headed by aged, unemployed, uneducated, widowed and chronically ill household heads and households located in the rural areas. The nutrition situation analysis shows that the worst-off provinces are Mashonaland Central and South, and Matabeleland North and Matabeleland South. When it comes to WASH, Matabeleland North is also facing the largest challenge as the province has the lowest percentage of the population using both basic drinking water (51%) and sanitation services (24%) (MICS 2019), as well as the highest proportion of the population practising open defecation. According to the Wageningen (2020), Smallholder farmers in Mashonaland West, Midlands and Mashonaland Central have the highest overall capacities to respond to climate change impacts (ranking 1st, 2nd, and 3rd, respectively. Masvingo, Matabeleland North and South have the lowest overall adaptive capacity⁵. In the targeted area, the highest population is in Mashonaland East, which also has the highest female population.

Table 2: Population in the target districts

Province/District	Males	Females	Total	Poverty prevalence %
<i>Mashonaland Central</i>				
Rushinga	35,504	38,536	74,050	81.9
Mt Darwin	103,203	109,522	212,725	80.6
Muzarabani	11,160	61,831	122,791	88.4
Shamva	81,380	62,290	123,650	74.2
Subtotal	231,247	272,179	503,216	
<i>Mashonaland East</i>				
Goromonzi	111,320	111,681	224,987	62.4
Murehwa	94,269	105,330	199,607	71.6
Mutoko	70,970	75,149	144,127	81.3
Uzumba Maramba Pfungwe (UMP)	54,190	58,423	112,611	79.3
Subtotal	330,749	350,583	681,332	
<i>Mashonaland West</i>				
Chegutu	23,974	35,209	50,590	57.6
Mhondoro Ngezi	54,284	50,058	10,434	64.3
Zvimba	132,165	130,855	263,020	79.8
Sanyati	57,326	55,571	112,897	64.3
Subtotal	267,749	271,663	436,941	
<i>Matabeleland North</i>				
Hwange.	30,687	31,983	139,092	68.5
Binga	63,736	75,356	62,670	88.3
Lupane	47,808	52,352	100,181	92.9
Nkayi	52,088	57,047	109,135	95.6
Subtotal	194,319	216,738	411,078	
<i>Midlands</i>				
Kwekwe	85,487	87,915	173,402	61.8
Chirumanzu	38,327	42,024	80,351	85.7
Subtotal	123,814	129,939	253,753	
Grand total	1,147,878	1,241,102	2,388,980	

GOZ, Poverty Atlas 2015

Selection of districts. Within the five provinces, SACP will target key urban-rural agricultural production and food trading corridors⁶. This narrows the SACP implementation area to the following 18 districts: Matabeleland North Province: Hwange; Binga, Lupane

⁴ Zimbabwe 2019 Multiple Indicator Cluster Survey (MICS) Report

⁵ IFAD – COSOP. 2020. Republic of Zimbabwe Country Strategic Opportunities Programme 2020 – 2025

⁶ The corridors are (i) Beitbridge- Masvingo-Harare; (ii) Beitbridge-Bulawayo-Vic. Falls; (iii) Beitbridge-Masvingo-Forbes; (iv) Harare-Chirundu; (v) Harare-Nyamapanda; and (vi) Plumtree-Byo-Harare-Forbes Border.

and Nkayi districts; Mashonaland West Province: Chegutu, Mhondoro-Ngezi, Zvimba, and Sanyati districts; Mashonaland Central Province: Rushinga, Mt Darwin, Muzarabani, and Shamva districts; Mashonaland East Province: Goromonzi, Murehwa, Mutoko, and UMP districts; and Midlands Province: Kwekwe, and Chirumanzu districts. The targeted five provinces have a total 39 districts out of which the 18 districts were selected on the basis of the following criteria:

- Poverty prevalence
- Key commodities for smallholder commercialisation
- Proximity to major agricultural corridor
- Estimated agribusiness potential
- Agro-ecological potential
- Potential for inclusive VC development.
- Potential for private sector value chain development.

The districts in Midlands province overlap with IFAD-funded SIRP districts, in order to promote lesson learning between the two interventions.

Ward level selection criteria. District level wards were selected based on the presence of producer organizations, potential for market integration and high population of youths. Specific interventions for each district will be selected to align with government priorities and for complementarity with pipeline and ongoing interventions by the government or other development partners. SACP will be implemented in 428 out of a total of 1,552 rural wards. The selected wards in are described below.

- 1) Mashonaland Central: four out the eight districts are selected: Rushinga (25 wards), Mt Darwin (40 wards) Muzarabani (14/29 wards), and Shamva (29 wards). A total of 108 out of 123 wards will be under SACP. Mt Darwin has the greatest population with the highest proportion of poor households, followed by Shamva district.
- 2) Mashonaland East: Four out of nine districts will be targeted under Mashonaland East province namely: Goromonzi (25 wards), Murehwa (28 wards), Mutoko (29 wards) and UMP (17 wards). All the 99 wards are targeted under SACP. Goromonzi has the greatest population and the highest proportion of poor people.
- 3) Mashonaland West: The four SACP districts out of 7 districts in Mashonaland West include: Chegutu (29 wards), Mhondoro Ngezi (9/16 wards), Zvimba (35 wards) and Sanyati (18 wards). In total, 91 out of the 92 wards are targeted under SACP. Zvimba has the highest population with the corresponding high level of poor people.
- 4) Matebeleland North: Four out of 7 districts are targeted: Hwange (17/20), Binga (17/25 wards), Lupane (19/28 wards), and Nkayi (19/30 wards). A total of 72 out of 103 wards are targeted under SACP in the 4 districts. The greatest population is in Binga which has the highest proportion of poor people.
- 5) Midlands Province: Two out of 8 districts, which are also SIRP districts, are targeted. These are: Kwekwe (33 wards), Chirumanzu (25 wards). All the 58 wards are targeted. Chirumanzu has the highest proportion of poor people.

Categorisation of Target Area into Value Chain Clusters

The mechanism for the identification and selection of the SACP-supported value chains will come from the call for proposals from the APG, microenterprises and Lead Value Chain Agribusinesses. The formation of a cluster will only be feasible after the identification of the VC through a call for proposals. The agricultural potential of target area was assessed through field level consultations with provincial and district level Agritex staff took place and some key commodities were identified which includes: traditional grains (sorghum and millet), sunflower, pecan nuts, goats, sheep, beef, horticulture, macademia nuts, maize, citrus, apiculture, poultry and piggery). Annex 10 gives a wide range of agricultural commodities and their nutritional ranking. An initial eight clusters have already been identified for the target area (see Table 3). The clusters combine wards across the district boundaries. In all the clusters, the smallholder farmers will engage in both commercial

crop and value chains for their food and nutrition security. The selection of additional clusters will take into the same criteria as for the selection of the pre-identified eight clusters, which are as follows:

- Suitability of climate
- Agricultural policy priorities
- Historical production trends
- Enabling environment
- Number of farmers involved in the value chain
- Women or youth led value chains
- Nutrition Sensitive value chains
- Potential value of private sector.

The initially identified eight clusters are summarised below, with further data selection rationale and criteria in Table 3 below.

- *Cluster 1* covers wards in Rushinga, Mt Darwin, Muzarabani and Shamva and the selection of crops include sesame and traditional grains (sorghum, rapoko, finger millet)
- *Cluster 2* covers wards in Rushinga, Mt Darwin, Muzarabani and Shamva and the selection of value chains include sheep and goats.
- *Cluster 3* covers selected wards in Goromonzi, Murehwa, Mutoko, UMP and the selected value chains include a variety of horticulture crops including leafy vegetables, tomatoes, peas etc.
- *Cluster 4* covers selected wards in Goromonzi, Murehwa, Mutoko, UMP and the focus will be on small livestock such as broilers, layers and indigenous chicken
- *Cluster 5* covers wards in Chegutu, Mhondoro Ngezi, Zvimba, Sanyati and Chirumanzu and the focus will be on maize and citrus
- *Cluster 6* covers wards in Chegutu, Mhondoro Ngezi, Zvimba, Sanyati and Chirumanzu and the focus will be on poultry and piggery
- *Cluster 7* covers wards in Hwange, Binga, Lupane, Nkayi and Kwekwe districts and the value chains selected include traditional grains (sorghum, pearl millet and finger millet)
- *Cluster 8* covers wards in Hwange, Binga, Lupane, Nkayi and Kwekwe districts and the focus is on beef and goats value chains.

C. Targeting and Mainstreaming Strategies

Project target group. SACP will implement an inclusive targeting strategy to ensure project benefits to a large number of poor smallholder farmers. The main benefit flow will be derived through the mobilisation of 800 Agricultural Production Groups (APGs) from the targeted communities. Around 24,000 low-income smallholder households will be members of these APGs and receive capacity building and financial services from the project to further develop their livelihoods. An additional 24,000 labourers will benefit from employment opportunities created by APG investments. The SACP support to MSMEs and Lead Companies is estimated will directly impact around 15,240 additional (non-APG members) smallholder households, and 13,000 of the APG members, who will be APG members, will benefit from the generated supply chain and employment and opportunities, through VC development by MSMEs and LVCEs. Furthermore, around 30,000 smallholder households will benefit from irrigation, water supply and sanitation infrastructure, of which 50 per cent will account for direct

beneficiaries (15,000 smallholder households).The total SACP VC support is projected to cover approximately 78,240 beneficiary households corresponding to 391,200 household members - one beneficiary represents five persons which is the average size of the household in Zimbabwe. Furthermore, SACP indirect target group is estimated to be 45,000 households, which includes in particular the villagers who live in direct vicinity of the supported agribusinesses and rural road construction sites but are not immediately part of the SACP value chain production systems. The SACP's primary target group in all project activities, including matching grants to APGs, will include a minimum of 50 per cent women and 30 per cent youth (aged 15 to 35 years). Table 3 provides details on poverty categorisation of rural households in Zimbabwe and on the projected number of SACP beneficiaries in each household category. In Table 4, the numbers of SACP-supported smallholder farming households in the target area as well as the projected number of APGs in each target district.

Table 3: Poverty Categorisation of directly targeted SACP beneficiaries

Category	Household type	Characteristics	SACP interventions	N° of beneficiaries
A	Chronically poor and unable Chronically food insecure and dependent on social safety nets (e.g. cash transfers)	<ul style="list-style-type: none"> Poor households – little or no land No economically active people Typically, child or elderly-headed households Below the food poverty line Vulnerable to nutrition and climate change impact 	<ul style="list-style-type: none"> Nutrition-sensitive Interventions e.g. (nutrition gardens and small ruminants) Community investments Collaborate with humanitarian organisations (e.g. WFP) GALS Infrastructure 	10,940 (5,470 women)
B1	Chronically poor but able Often chronically food insecure but capable of becoming transitory food secure	<ul style="list-style-type: none"> Poor households with access to land or livestock and labour, and often involved in farming or livestock rearing and wage labour. Typically 1 economically active person Lack cash and resources to purchase inputs and commodities. Below the total consumption poverty line 	<ul style="list-style-type: none"> Infrastructure Empowerment & capacity development & skills e.g. Training and capacity building CSA & agribusiness, business skills, diversification of production, access to markets, nutrition support to value chains where women are dominant e.g. horticulture GALS training & Nutrition-sensitive Interventions Promote farmer to farmer learning in extension Matching grants for APGs 	16,400 (8,200 women)
B2	Transiently poor Transitory food insecure	<ul style="list-style-type: none"> Emerging smallholder farmers with land and labour but cash constrained and vulnerable to shocks. 2-3 economically active people Households can increase productivity to achieve food and income security and become engines of rural economic growth. 	<ul style="list-style-type: none"> Marketing and technical skills Business training Marketing access (out-grower, contract farming) Equipment Nutrition Matching grants for APGs and micro-enterprises Contract farming Out-grower linkages to lucrative value- chains GALS Nutrition-sensitive Interventions 	40,000 (20,000) women)
C	Self-sufficient Often food secure, with a risk of transitory food insecurity	<ul style="list-style-type: none"> Farmers with land and labour and the potential to enter into private sector market linkage arrangements and produce a saleable surplus. Typically 3-4 economically active people Able to withstand shocks without external assistance. 	<ul style="list-style-type: none"> Business expansion support New technologies to increase production Value addition Innovation to increase production and marketing of commodities Matching grants for APGs and micro-enterprises Out-grower linkages to lucrative value- chains Nutrition-sensitive Interventions 	10,900 (5,450 women)

Category	Household type	Characteristics	SACP interventions	N° of beneficiaries
	Women	<ul style="list-style-type: none"> • Limited decision making • limited access to means of production (land, inputs, capital, technology, seeds etc.) • Heavy workload and time poverty • limited access to finance, vulnerable to nutrition and climate change impact 	<ul style="list-style-type: none"> • Economic and social empowerment • Improved decision making at HH and community level • Improved participation in APG, leadership skills • reduced workload, improved access to finance • Improved well-being and nutrition, resilience to shocks • improved adoption of CSA • Improved entrepreneurial skills 	39,120 (included in A, B1, B2, C and youth)
	Youth	<ul style="list-style-type: none"> • Lack of access to means of production • High unemployment 	<ul style="list-style-type: none"> • Access to matching grants • Improved BDS skills • improved Agribusiness • improved Leadership skills • Improved digitalization and adoption of technologies 	23,472
	Total			78,240

Table 4: Total population of smallholders in targeted geographic areas by land use and APGs per target district

	Matebeleland North	Mashonaland East	Mashonaland West	Mashonaland Central	Midlands
Communal farmers	66,303 (24,683 women)	139,570 (60,356 women)	70,797 (25,339 women)	104,830 (27,563 women)	99,439 (25,330 women)
Old Resettlement farmers	183 (91 women)	69 (19 women)	7,871 (4,162 women)	3,226 (916 women)	7,207 (3,098 women)
A1 farmers	1,607 (409 women)	18,049 (4,287 women)	27,063 (4,300 women)	2,147 (366 women)	13,538 (4,112 women)
Total	68,093 (25,183 women)	157,688 (64,662 women)	105,731 (33,801 women)	110,203 (28,845 women)	120,184 (32,540 women)
Targeted beneficiaries per province	17,600	17,600	17,600	17,600	7,840
Agricultural Producer Groups (APGs)	180	180	180	180	80
APGs per targeted district	Hwange (45), Binga(45) Lupape(45) Nkayi (45)	Goromonzi(45) Murehwa(45) Mutoko(45) UMP (45)	Chegutu (45) Mhondoro Ngezi (45) Zvimba (45) Sanyati (45)	Rushinga (45) Mt Darwin(45) Muzarabani (45) Shamva (45)	Kwekwe (40) Chirumanzu (40)

Source: Adapted from Agritex, MLAWRR

SACP SOCIAL AND POVERTY TARGETING STRATEGIES

Appointment of the Social Inclusion and Targeting Officer. SACP will appoint a Social Inclusion and Targeting Officer at national JMU and one in each of the provincial level PPIU (see TORs in this PIM). They will be responsible for the coordination and implementation of the targeting and social inclusion strategy.

Partners that will implement the targeting strategy. SACP will hire a Social Mobilisation Specialist (see TORs in this PIM), to work with the PPIU Targeting and Social Inclusion Officer and Agritex extension officers to implement the targeting strategy. Targeting will also be validated through the local NGOs, community workers from the Ministry of Women Affairs, Community and Small and Medium Scale Enterprises Development, Community workers from the Ministry of Health and Child Welfare, Department of Social Welfare, WFP, District officials under the Ministry of Local Government, Councillors, Religious Leaders, Traditional Leaders, and School authorities.

Targeting process. The project targeting approaches includes (i) community targeting and (ii) a mixture of self-targeting and menu-based measures. Community based targeting allows the communities to select beneficiary group using their own definition of poverty and a mixture of self-targeting and menu-based measures, where the community groups are informed at a public meeting about SACP objectives, eligibility conditions, application process and awarding process.

Self-targeting. APGs, SMSEs will apply and respond to a call for Expression of Interest (EOI) by SACP. The proposals are assessed and selected using predetermined criteria. Training in financial literacy and business planning, financial literacy, sustainable APG, and Business Plan Development Support will be provided. Value chains, which will be selected for SACP support, should be suitable for women, youth and other vulnerable groups for the promotion of food and nutrition security needs, promotion of value addition. In addition, there will be need to select technologies that address women's labour constraints. The promotion of group approaches limits the elite capture since the wealthier households are not interested in group activities.

Direct Targeting. SACP applies a quota system: 50 percent for women and 30 percent for youth for both participation in project activities and the representation and leadership in APGs management committees. The technical assistance will be targeted at strengthening the capacity of women and youth. Approaches such as participatory wealth ranking by the community themselves, could be used in order to rank the communities into different wealth groups. In approving application forms from a group, SACP will take into consideration the number of female-headed households and youths to benefit.

The following targeting approach will be applied:

1. A call for proposal for the lead VC enterprises (LVCE) will be made. The expression of interest for this call will inform SACP on the key VC to focus on with the APGs. The LVCE will indicate the VC and the number of smallholder farmers to be involved.
2. The local Agritex extension officer will notify the communities about the date of the SACP meeting for APGs and microenterprises (MEs). This will be done through village leadership and the schools, and the notice for the public meeting will be posted at shopping centres, public notice boards, and dip tanks. Agritex will also inform the local CBO, other NGOs active in the area, as well as government organisations working at community level. Meetings should be held at convenient times and venues to allow the participation of women.
3. The project will hold consultation meeting in the wards for identified clusters and the meetings will involve men, women and youth in the identified cluster areas. The purpose of the meeting will be to inform the community about SACP and how to apply to take part in SACP activities. Through these community consultations, SACP requests for APG and Microenterprise EOIs from the communities, whereby the smallholder groups: (i) propose investments in APG/ME agriculture operations, and (ii) explain potential linkages to

market-oriented value chains. The APG members will be small-scale agriculture producers, who fulfil the SACP targeting criteria. The micro-entrepreneurs will be individual community members with the capacity to manage small business, upgrading the value chains at local level. The APGs and the MEs will be invited to submit an EOI.

4. The APGs and the MSMEs submit their EOI at the provincial PIU. The EOI should show that the APG membership is made up of the project target group composed of the poor and meeting the set quota for women and youth. The project will supply forms that will be filled in by each of the members of the APG. The forms contain basic socio-economic information to be able to determine the wealth ranking of the group members according to the social categorisation (category A, B1 B2 and C).

5. The EOI will be screened by the Provincial Technical Committee and the selected long list of EOI/APG and microenterprises will be subjected to community validation process. The majority of the membership will be in category B1 and B2 for APGs and C will also qualify for MEs.

Category A farmers will benefit from nutrition sensitive interventions as well as infrastructure under Component 2. In order to qualify, 70 per cent of the group members should fall into category B1 and B2 and few in C. After community validation, the APGs and microenterprises are shortlisted. The eligibility criteria for the group includes:

- Groups (max 30 people) with youth (30 per cent aged 18 to 35 years) and women in the majority
- Potential inclusion of vulnerable groups e.g. people living with disabilities
- Members meeting the poverty group criteria for B1 and B2 poverty categories
- Existing groups with track record of investing in their proposed project
- Possession of a bank account and financial statement/records
- Good record keeping and good governance structures
- Have women representation in management and leadership roles
- Willingness and ability to contribute 15 per cent to matching grants
- Members should already have experience in the chosen value chain
- Measures to prevent elite capture.

Micro-enterprises. SACP will target 200 micro-enterprises. The Project supports MSMEs that (i) benefit the poor, (ii) women and youth led micro-enterprises, and (iii) microenterprises that provide labour saving technologies to alleviate work burden for women along the value chain, e.g. threshers, solar drying units among others. Eligible projects for MSME investments include:

- Equipment to improve food safety
- Equipment to improve animal welfare
- Climate resilient technologies
- Tractors for tillage
- Milling machines
- Tomato puree, juicing machines, cold chains etc.
- Cold chains
- Proof of tangible benefit to the smallholder farmers
- Ability to raise the 30 per cent matching grant contribution.

The shortlisted APGs and microenterprises will receive technical assistance to develop a business proposal for submission to the Provincial Technical Committee. The PIU, community leaders, local CBOs, district officials, Agritex officers and Government community workers will visit and interview the shortlisted APGs for validation. A final decision on the selected APGs will be carried out based on financial, economic, technical, environmental feasibility. The selected APGs will be notified, and funds released for implementation.

The consultative and validation process ensures that the process is carried out in a transparent and that the target group is reached to avoid elite capture. The risk that the

marginalized groups or households within a community can be excluded will be mitigated through ensuring that those facilitating the exercise have a thorough understanding of the communities and are respected by them.

Complaints and grievances of local communities and other local stakeholders will be reported to the local chief and the Agritex extension staff. The communities will also have access contact numbers to call the SACP offices. The numbers will be given out at every meeting. The project will emphasise on the need for transparency and its anti-corruption plan which is in line with IFAD's anticorruption policy⁷. The community will report any corruption to the Project or the Permanent Secretary in the Ministry of Lands Agriculture and Rural Resettlement. For each of the community consultation, the participants will fill in registration form indicating their ID, full name, gender and age. A record of the minutes of the meeting will be made. The community register will also be kept at the local level by the Agritex extension officers.

Empowerment and capacity building measures. SACP will implement a range of capacity building interventions for APGs and SMSEs as well as support institutions working with these groups. SACP will provide training in BDS and financial literacy in addition to the development of a business proposal. A community-wide GALS training will be conducted in order to better address the underlying root causes to inequality between men and women specific constraints. In addition, IFAD's empowerment indicator using a project level WEAI (pro-WEAI) will be conducted in order to measure empowerment, agency and inclusion of women in the agricultural sector. Pro-WEAI seeks to identify development obstacles and may be used to track gender equality in relation to three domains of empowerment: intrinsic agency (power to), instrumental agency (power within) and collective agency (power with)

Enabling measures. SACP will provide training to the target group and support to Agritex which will be working with farmers. SACP will also provide matching grants for APGS, microenterprises and the Lead Value chain enterprises. Technical assistance is provided for the development of business proposals.

Operational measures. A Targeting and Social Inclusion Expert will be recruited as part of the PMU as well as in each of the four PPIUs. The Expert will be responsible to the supervision and implementation of the poverty, gender and targeting strategy, and for the development of capacity building tools for the implementation of activities under the two components and for the provision of leadership, supervision and support capacity building and mentoring activities for gender mainstreaming.

⁷ https://www.ifad.org/documents/38711624/40189363/fraudpolicy_eb86_e.pdf/e2ae80aa-e423-4d7c-a582-c01c1917b427

Table 5: Categorization of rural households in Zimbabwe

Category	Household type	Characteristics	Type of support	No of rural households in Zimbabwe [No. of persons indicated in brackets]
A	Chronically poor and unable <i>Chronically food insecure and dependent on social safety nets (e.g. cash transfers)</i>	<ul style="list-style-type: none"> · Poor households – little or no land · No economically active people · Typically, child or elderly, female, widowed, chronically ill-headed households · Below the food poverty line 	<ul style="list-style-type: none"> • Nutrition-sensitive Interventions e.g. (nutrition gardens and small ruminants) • Community investments • Collaborate with humanitarian organisations (e.g WFP) • GALS and nutrition sensitive interventions • Infrastructure 	107,500
B1	Chronically poor but able <i>Often chronically food insecure but capable of becoming transitory food secure</i>	<ul style="list-style-type: none"> · Poor households with access to land or livestock and labour, and often involved in farming or livestock rearing and wage labour. · Typically 1 economically active person · Lack cash and resources to purchase inputs and commodities. · Below the total consumption poverty line 	<ul style="list-style-type: none"> • Infrastructure • Empowerment & capacity development & skills e.g Training and capacity building CSA & agribusiness, business skills, diversification of production, access to markets, nutrition • support to value chains where women are dominant e.g. horticulture • GALS training & Nutrition-sensitive Interventions • Promote farmer to farmer learning in extension • Matching grants for APGs 	322,000

B2	Transiently poor <i>Transitory food insecure</i>	<ul style="list-style-type: none"> · Emerging smallholder farmers with land and labour but cash constrained and vulnerable to shocks. · 2-3 economically active people · Households can increase productivity to achieve food and income security and become engines of rural economic growth. 	<ul style="list-style-type: none"> • Marketing and technical skills • Business training • Marketing access (out-grower, contract framing) • Equipment • Nutrition • Matching grants for APGs and microenterprises • Contract framing • Out-grower linkages to lucrative value- chains • GALS Nutrition-sensitive Interventions 	890,000
C	Self-sufficient <i>Often food secure, with a risk of transitory food insecurity</i>	<ul style="list-style-type: none"> · Farmers with land and labour and the potential to enter into private sector market linkage arrangements and produce a saleable surplus. · Typically, 3-4 economically active people · Able to withstand shocks without external assistance. 	<ul style="list-style-type: none"> • Business expansion support • New technologies to increase production • Value addition • Innovation to increase production and marketing of commodities • Matching grants for APGs and micro-enterprises • Out-grower linkages to lucrative value- chains • Nutrition-sensitive Interventions 	215,000
	TOTAL			1,534,500

Source: Amended after Table A in AusAID (2011) *AusAID Food Security Delivery Strategy for Zimbabwe, 2912-16*. Canberra and Harare; in DFID/FAO *Livelihoods and Food Security Programme* (2014 -2018).

The target group poverty profiles include: Category A – chronically poor and unable (10,940 beneficiary households), B1 – chronically poor but able (16,400 beneficiary households), B2 - transiently poor (40,000 beneficiary households) and C – self-sufficiency (10,900 beneficiary households). The calculation on the distribution of the beneficiary households based on the country level distribution of the poverty groups is shown in Table 6.

Table 6: Distribution of SACP beneficiaries along poverty categories

Poverty Category	Women	Men	Youth <i>(of which 50% young women)</i>	Total
A	5,470	5,470	3,282	10,940
B1	8,200	8,200	4,920	16,400
B2	20,000	20,000	12,000	40,000
C	5,450	5,450	3,270	10,900
Total	39,120	39,120	23,472	78,240

The total outreach will be 78,240 beneficiary households, which is equivalent to 391,200 household members, since it is assumed that one beneficiary represents five persons, which is the average size of the household in Zimbabwe.

Women: Interventions on gender equality and women’s empowerment will focus on strengthening women’s economic empowerment, decision making and achieving workload balance. At the same time, the project will strengthen women’s voices in determining household priorities, spending patterns, and in addressing their own well-being. Gender roles and relations are tackled involving men and women. In line with IFAD’s focus on promoting transformation of gender relations, the project will carry out community Gender Action Learning Systems (GALS) to address underlying cultural and traditional norms, attitudes, behavioural systems, as well as gender and age stereotypes. Women will consist of 50 percent of beneficiary, which is equivalent to 39,120 beneficiaries. IFAD’s empowerment indicator based on project-level Women’s Empowerment in Agriculture Index (pro-WEAI)⁸ will be used to identify constraints and opportunities for women with regards to production, access to resources, income, leadership and time poverty. Based on the outcome, SACP will design appropriate strategies to address the constraints faced by women and men. Women will benefit from matching grants under APGs, MSMEs and Lead Value Chain Enterprises. Women will be empowered through training in business development, climate smart agriculture, financial literacy training among others.

Youth: have limited productive resources, skills and capital. SACP will target the youth directly by identifying skilled and unskilled youth interested or already involved in livestock or irrigated crop production or post-production activities such as processing, marketing, artisanry or casual labour. The APGs will allocate 30 per cent of membership to interested youth and will serve as a model for youth mentorship, upskilling and transfer of indigenous knowledge. With a target of 78,240 beneficiaries, SACP will provide opportunities for 23,472 young women and men between the ages of 15 and 35. Value chain analysis will be done to identify opportunities for youths disaggregated by age and gender to ensure that appropriate opportunities are availed to young men and women of all the age groups

⁸ IFAD’s empowerment indicator includes 10 of the 12 dimensions for the pro WEAI dimensions, following those IFAD can influence through its supported activities. The pro-WEAI dimensions are mapped with three domains of empowerment: intrinsic agency (power to – autonomy in income, self-efficacy and attitudes about intimate partner violence); instrumental agency (power within – input in productive decisions, ownership of land and other assets, access to decisions on financial services, control and use of income and work balance), and collective agency (power with – group membership, and membership in influential groups)

(15-24 and 25-35). In addition, youth that are interested in being part of the APGs will benefit from technical assistance on business plan development, climate-smart agriculture and financial literacy and planning, and technical training related to the specific operations of the enterprise.

Secondary target group. These are critical players in the overall functioning of targeted value chains. They will be supported through capacity building and training. The stakeholders identified include: the small to medium enterprise agro-dealers, rural buyers, processors, and emergent farmers providing support services to smallholders. Whilst a significant part of this target group is likely to be non-poor, these services at all levels of the value chain are essential for inclusive value chain growth. Public extension officers will also be targeted through training and capacity building to sensitise them on gender, youth and nutrition-sensitive interventions. **Lead Value Chain Agribusinesses (LE).** This category consists of larger businesses and employ staff and workers inside and often also outside the targeted provinces/districts. The group can often access credit from formal financial institutions for funding SMSEs operations as well as buying new equipment to replace obsolete machinery. The SACP selection criteria for LEs is based on the tangible benefits to the smallholder farmers through, for instance, VC training with market access, contract farming, employment creation for the smallholder farmers, skills development and fostering enabling environment, and access to infrastructure and other services.

Indirect target group, in addition to the direct target group, is estimated to be 45,000 households, which includes in particular the villagers who live in direct vicinity of the supported agribusinesses and rural road construction sites, but are not immediately part of the SACP value chain production systems. They will benefit from improved road access to district centres, marketplaces, health and education, as well as long term indirect benefits of economic development in the targeted villages including indirect job creation in services and trade sector.

Mitigating the risk of elite capture. SACP will mitigate the risk of elite capture in the following ways: (i) Making information on beneficiary selection and financing widely available; (ii) Setting up a complaints mechanism and creating a provincial mechanism for the resolution of grievances; (iii) Community self-targeting for APGs group membership, following SACP eligibility criteria; (iv) Adoption of government poverty classification for target households; (v) verification by the independent BDS service unit and project monitoring system. This triangulated mechanism will be developed and supported by an independent Community Mobilization Specialist. Furthermore, a SACP Anti-Corruption Plan will be developed at the project start-up, which will include adequate grievance and redress mechanism.

SACP GENDER STRATEGY

SACP will target 39,120 women household members. SACP recognizes that women are key to agricultural transformation, but various obstacles and economic constraints limit their contribution to their households and communities. Women lack economic empowerment and decision-making power and are faced with heavy workloads. In addition, they lack business skills and have limited access to markets, and face time constraints. Women also have weak representation in decision-making bodies dealing with productive and economic issues due to their traditional and social role. Due to their domestic and reproductive roles and gender relations, women spend more time doing agriculture and domestic work. Female-headed households are amongst the poorest and their economic progression is hindered by a combination of social and structural constraints. Their access to land, knowledge, inputs, finance, high-value agriculture value chains is heavily curtailed by traditional gender roles that undermine their participation. A 50 per cent selection quota will be implemented to prioritize their participation whenever possible and SACP implementation and management arrangements will be gender sensitive.

Interventions on gender equality and women's empowerment will focus on (i) promoting economic empowerment to enable men and women to have equal opportunity to participate in and benefit from profitable activities; (ii) enabling women and men to have equal voice and influence in rural institutions and organisations; and (iii) achieve a more equitable balance in workload and a sharing of economic and social benefits between women and men. SACP will focus on strengthening women's economic opportunities and decision making. At the same time, the project will strengthen women's voices in determining household priorities, spending patterns, and in addressing their own well-being. Gender roles and relations are tackled involving men and women

In line with IFAD's focus on promoting transformation of gender relations, the project will focus on addressing the root causes of gender inequalities through Household methodologies such as Gender Action Learning Systems (GALS) to address underlying cultural and traditional norms, attitudes, behavioural systems, as well as gender and age stereotypes. Potential entry points to empower women include:

Given the above constraints, SACP will implement the following pathways for empowering women and promoting gender transformation. These are:

- *IFAD's empowerment indicator using project-level Women Agricultural economic Index (WEAI) survey.* This will be carried out in order to identify obstacles to women's empowerment, agency and women's inclusion in the agricultural sector. Gender analysis is necessary in transforming gender relations and social inequalities.
- *Development of a SACP Gender Strategy.* The PMU Targeting and Social Inclusion Specialist shall develop and implement a gender strategy for the project to ensure that gender concerns are mainstreamed in all project activities throughout the implementation period, in order to offer equal opportunities under the project to men, women, women-headed households, youth and other disadvantaged groups. Technical Assistance will be hired for one month to assist with the development of the strategy.
- *The development of GALS Training Manual* will be designed jointly in the first year of the project by the PMU Targeting and Social Inclusion Specialist (see TOR) in collaboration with gender focal persons in relevant government institutions. The manual is already developed by SIRP.
- *Community wide gender sensitisation.* The NPMU Targeting and Social Inclusion Specialist and Agritex will use the GALS' manual to carry out community wide Gender Sensitization. Encouraging active participation and targeting women in rural communities may be sensitive. A way to overcome this is to communicate clearly the expected benefits for the broader community and its local economic development.
- *Establishment of quotas to reach women.* SACP quota for women could amount to 50 per cent of the targeted beneficiaries and 30 per cent for the youth. In addition, gender targeting will currently focus on households instead of targeting only the head of the households, which implies that women are automatically left out.
- *Work with groups versus individuals.* Experiences from other projects recommend working with formal or informal women's groups rather than on an individual basis. Strengthening capacities of organised female groups have proven to be less sensitive.
- *Stakeholder review meetings* to share lessons learnt and best practices in relation to mainstreaming youth and gender in micro and small enterprises.
- *Support policy Dialogue on the promotion of women land rights.*
- *Promote women leadership across value chain activities.* Identify successful women within different parts of the value chain and bring them together in for example a

leadership platform. They can become a source of inspiration for other women and in addition they can foster collaboration among value chain actors. A recurrent issue raised in the interviews was the need to improving linkages within value chains: farmers to the processors, to retailers, to consumers, etc.

- *Invest in value addition for women:* there are untapped opportunities in capacity building in value addition. For example, currently during the Covid 19 lockdown, many communities grow perishable products such as tomatoes which are thrown away. If they would have had training in processing, they would have been able to still earn money from these crops.
- *Climate smart technologies that reduce labour burden:* in order to engage women and get them interested in training and adoption of climate smart technologies, it is recommended to select those technology that reduces time and labour burdens for women.
- *Promote safe working environment.* Rural women are often involved in production as some other activities along the value chain might not be safe. Safety issues are related to female unfriendly facilities, harassment on markets, unfair prices, unsafe transportation, and travelling by night. If women are to be encouraged to work along the entire value chain, these issues need to be tackled.
- *Include men in women's empowerment activities.* A common phrase is that we need both women and men to address gender inequality. Therefore, an overall recommendation would be to critically analyse for which activities it is effective (or necessary) to invite and include both men and women.

Gender mainstreaming in the project components

Under Component 1, the participation of women in mobilisation meetings will be promoted through ensuring that the notification for the meetings reaches the women on time. The meetings should be held at venues and times when the women are free to attend. The project will deliberately include a selection of women value chains. This will promote acceptability, and at the same time the project will upgrade these value chains in order to increase production and income for the women. Where the male-dominated value chains are adopted, women will benefit from paid employment. For the technical training, the project will ensure that the material is simplified to include local language, role plays and practical examples. Technical training such as business training and financial services training should also be run in conjunction with non-technical training such as confidence building, prevention of gender-based violence, and reproductive health rights in order to attract the participation of women.

The provision of childcare facilities would also enable women to attend the training. In terms of CSA technologies, care should be taken not to introduce technologies that increase the workload for women. However, through GALS, SACP will promote equitable work balance between men and women. The use of female extension workers will also promote the participation of women. The technical committee for the selection of eligible proposals will be composed of a gender balanced membership. The project adopts participatory approaches to ensure the participation of men, women and youth. Women will receive mentoring in leadership and will be encouraged to take up leadership roles in management committees for APGs. The matching grants provides an opportunity for economic empowerment for the women and women will benefit from matching grants for APGs (50%); micro-enterprises (25%) and lead VC enterprises (25%). The provision of WASH will address the time poverty for women who have to walk long distances to fetch water.

The M&E system will ensure gender and sex disaggregated data to track gender equality and women's empowerment, agency and women's involvement in agriculture.

Community wide gender sensitisation using Gender Action Learning System (GALS) approach will be adopted for achieving gender transformation. It is a community-led empowerment methodology that can be complementary to a food system or a value chain development approach. Poor women and men are put in the centre of GALS and are perceived as drivers and shapers of their own development rather than victims. Through participatory processes and simple mapping and diagram tools, men and women jointly identify and address obstacles in their environment. This enforces them to have more control over their personal, household, community and organisational development to improve income, food and nutrition security in a gender-equitable way. Ultimately, GALS can promote collaboration between vulnerable and powerful value chain actors.⁹

Draft targeting activities during the start-up phase include:

- The strategy and implementation plan for targeting poverty groups will be reviewed and validated with PMU staff during the start-up workshop.
- Potential participants from poverty groups will be pre-identified and reached through information and social mobilization campaigns using local languages, radio stations, organization of meetings at times of day at which women will be able to attend.
- Communication on radio, television, press by the Permanent Secretary to inform the public about the project -are of coverage, the objectives, target group and expected results.
- The community mobilisers together with Agritex and social inclusion officers will hold cluster meetings to inform the APGs about the project
- The start-up phase will be used to identify the first APGs, microenterprises, and lead VC players. Women and youth will be informed about the project and encouraged to participate
- The project will design forms needed for beneficiary registration
- The team will make a reconnaissance of the poverty groups to establish if they meet the target group criteria.
- Design the Calls for Expression of Interest for APGs, microenterprises and lead value chain enterprises.

Investment phase

- SACP will work in partnership with locally based World Food Programme (WFP) teams in order to draw lessons and best practices on the way in which they conduct their targeting. WFP is present in all districts where there are SACP targeted food insecure households. This partnership will contribute in building the capacity of the SACP team in poverty targeting. Other partnerships will include: Agritex, Ministry of Women Affairs, Community, Small Medium Scale Enterprise, NGOs, CBOs who have the capacity to reach the poor, UNCT, agribusinesses and farmer organisations.
- For the targeted poorest households, SACP interventions will complement with WFP, UNICEF and other partners providing social protection for this particular group.
- The poorest will benefit from capacity building interventions, nutrition training, Gender Action Learning System and infrastructure. They will also benefit from increased employment from the main project activities.

⁹ Wageningen (2020)

- A policy dialogue workshop will be organised to share the experience and lessons learned from IFAD to inform quick wins in targeting, scaling up and policy dialogue.
- A participatory M&E will be used, including project staff, APGs members, women and youth, both recipients and participants. Indicators for quality of participation in infrastructure (Component 2), such as employment creation and time savings are developed to assess the benefits provided to the poorest and vulnerable.

At the end of this section of the PIM, Appendix 1 presents the SACP Targeting Checklist and Appendix 2 covers the Gender Checklist.

SACP STRATEGIES FOR YOUTH INCLUSION

The Government of Zimbabwe (GoZ) recognises the demographic and socio-economic significance of young people between the ages of 15 and 35 and considers them a priority for economic and national development. The National Youth Policy (2013) commits to addressing the youth's development and empowerment needs in social and economic spheres. The objectives of the first goal of the National Youth Policy identifies the following priorities for empowering youth to participate and contribute to the socio-economic development of the nation: (i) provision of opportunities for sustainable livelihoods and decent work for all young men and women; (ii) assisting youth in attaining knowledge, skills and experiences required to enable them to effectively participate in national development and society as a whole; (iii) promotion of the rights and freedoms of youths paying special attention to empowering previously marginalised sections such as young women and girls, youth with disabilities, youth living with HIV, out of school youth and youth living in rural areas; (iv) involving youth at the planning, decision making, implementation and evaluation levels of all youth development programmes; and (v) promoting gender equality and equity among the youth, in particular, in education and training, socio-cultural, political, economic and legal spheres. SACP takes into account these five priorities in its youth inclusion strategies.

Zimbabwe is a youthful country, with approximately 68 per cent of the population below the age of 35 years¹⁰. The population structure could potentially yield a demographic dividend, but over 80 per cent of the productive youth have not been able to access employment in permanent paid work¹¹. Although unemployment is high in both urban and rural areas, it is much higher in rural areas where about 48.9 per cent of rural male and 55.2 per cent of rural female youths are unemployed¹². The challenge for youth economic inclusion is higher in rural areas where agriculture is the main economic sector. To escape unemployment and poverty rural youth are migrating to cities and to neighbouring South Africa and Botswana. Through value chain development and investment that improve productive capacity of agriculture SACP will unlock rural economies to create inclusive and decent employment opportunities for rural young men and women in agriculture and off-farm activities. SACP will directly target young people in the ages of 15 to 35 years. The 78,240 beneficiary households that will be targeted will consist of 30 per cent youths (23,470 household members) of which 50 per cent will be young females (11,735 household members).

Inclusive value chain development. According to the Pre-design Study conducted by the Wageningen Centre for Development Innovation (WCID), effective youth inclusion should be closely linked to the selection of value chains. In order to select value chains that meet the youth's interests and attainable capital and skill requirements, SACP shall involve the youth in community-level participatory value-chain development consultations. From the beginning of the project, SACP shall be aware of the diversity of youth populations (gender, age group and VC commodity activity preference) and target value-

¹⁰ <https://www.ohchr.org/Documents/Issues/Youth/ZimbabweHRCCommission.pdf>

¹¹ Zimbabwe Investment Youth Case Study JMAT August 2016

¹² Zimstat (2019). Labour force and child labour survey

chain analysis accordingly¹³ to ensure that appropriate opportunities are availed to young men and women of all the age groups and are aligned to their interests and capacities. Thus, the project will provide tailored approaches to the different youth populations.

SACP shall also involve young men and women in the Component 1 community consultations on value-chain development. The WCDI Pre-design report highlighted that youth are often particularly sensitive to the expectations and opinions of those they are close to and particularly elders, which can influence their selection of which value chains to engage in and in what capacity. Component 1 community consultations shall, therefore, be done in an age-disaggregated manner to create an environment where youth can freely express their thoughts and ideas without fear of judgement or intimidation. The project will use innovative ways to gauge youth interest during value chain development. This will include sending out youth-specific calls for proposals to scope the kinds of enterprises that youths are interested in within the clusters. Web-based platforms and social media (e.g. Facebook, WhatsApp) and local youth forums will be considered for crowdsourcing of ideas on the kinds of enterprises that youth in the target areas would be interested in.

In selection of value chains tailored for youth, SACP will prioritise ventures that have low capital and skill requirements, and provide quick and high returns: short cycle crops such as beans, mobile processing units such as peanut butter and *maputi* (popcorn) making machines, mobile solar dryers and mobile marketing services for women and youth¹⁴. Youth will be prioritised for projects that promote irrigation development for horticulture production as youth like quick-win projects¹⁵.

Access to matching grants and youth specific calls. One of the biggest impediments to youth participation in economic activities in agricultural value chains is the lack of capital and financial resources. To alleviate this challenge, SACP will provide access to matching grants for young women and young men in all three categories. APGs and enterprises applying for matching grants in SACP should have a youth membership of at least 30 per cent. In addition, SACP will have some youth specific calls for which APGs should have at least

To ensure that youth are also provided opportunities in off-farm value chain activities, lead enterprises applying for matching grants will need to demonstrate youth inclusion in their proposals. During short-listing, proposals that show a quota of youth that will get capacity building from the venture will be considered favourably. About 25 per cent of microenterprise matching grants will be reserved for youth applicants that meet the selection criteria. SACP recognises that the majority of youth prefer off-farm jobs that have quicker returns and less capital requirements. As such, SACP will avail youth specific calls for micro-enterprises operated by young women and men to apply for matching grants for purchasing processing units (e.g. mobile solar driers, *maputi* and peanut butter making units, etc.) and technologies for packaging and branding of value chain commodities, among others. To facilitate efficient operation youth will be assisted to register their micro-enterprises and to register for financial services such as eco-cash.

Skills transfer and training of youth. Some of the main drivers of youth unemployment in Zimbabwe include a mismatch between skills and industry requirements; youth also lack business, managerial, technical and leadership skills, which would be relevant for running SMEs. To empower young men and women to participate effectively in economic activities, SACP will place a requirement for all APGs that will be funded under the matching grants facility to have a youth membership of at least 30 per cent. This model will allow for skills transfer and mentorship of youth. In addition, youth that are interested in being part of the APGs will benefit from technical assistance on business plan development,

¹³ Bakker et al., (2020). Pre-Design Report "Climate adaptation and mitigation measures for nutrition co-benefits in IFAD investments in Zimbabwe". Wageningen Centre for Development Innovation. Wageningen, May 2020

¹⁴ Zimbabwe COSOP (2020-2026)

¹⁵ The experience of the Food and Agriculture Organisation in Midlands Province, documented in the Zimbabwe Youth Investment Case, 2016.

climate-smart agriculture and financial literacy and planning, as well as technical training related to the specific operations of the enterprise. Additional training will be provided to the youth on budgeting, financial management and youth savings groups for peer to peer influence to save and build capital for future ventures. Youth specific calls for proposals will require that youth APGs have up to 40 per cent adult membership for mentorship, skills and indigenous knowledge transfer to youth. Youth-owned companies will also be considered provided they have had sufficient experience in the targeted agri-businesses and demonstrable success.

Lead enterprises will be encouraged to provide opportunities for work-related learning (attachment for tertiary students) for youth in higher education to acquire industry skills and to promote innovation (e.g. food technology students can innovate on minimum processing technologies and food preservation methods that can be done at HH or community level with minimum resources; IT students can innovate with ICTs for improving logistics, management or marketing in VCs etc.).

Creation of conditions that foster participation of young women. Gender disparities still exist in youth employment in Zimbabwe where young men are more likely to secure employment compared to young women. The WCDI Pre-Design Report noted that youth will participate in activities that are acceptable for personal safety and health. Consultations with Harvest Plus¹⁶ during the SACP remote design mission revealed that Harvest Plus experienced greater participation among married young women who got involved in value chain activities together with their spouses compared to single young women. This was noted as possibly arising from safety concerns for the young women by their families. SACP will explore the use of innovative ways to increase the participation of single young women by involving them more in women's APGs more than mixed APGs; and processing/value addition facilities/units that are closer to their homes. Another reason keeping young women away from economic activities could be the burden of housework and other unpaid care-work. The GALS methodology will be applied to determine and find solutions to the underlying challenges and concerns that limit young women's participation in value chain activities.

Youth role models and mentorship. Many studies and development projects in Zimbabwe have found that very few young women and men have interest in primary agriculture production¹⁷. In order to make agriculture attractive to the youth, there is need to change the face of agriculture from that of old, poor and uneducated people to that of young intelligent and successful young men and women. Successful youth in agriculture are a powerful model for changing the face of agriculture and attracting other youth. SACP will collaborate with the youth desk in the MWACRR to identify and profile successful youth in agriculture across the target provinces, to serve as champions and to provide mentorship to other youth. SACP will also explore opportunities to partner with young celebrities – such as musicians, actors, TV presenters – in the country to serve as ambassadors for youth in agriculture and to make agriculture 'cool' for the youth. SACP will also explore the opportunity to have annual youth excellence awards to encourage youth participation, innovation and excellence in agriculture and related value chain activities.

Knowledge exchange, networking and experience sharing. Youths lack knowledge and experience in running successful farm and off-farm enterprises. To help narrow this gap, SACP will make use of innovative forms of knowledge exchange and capacity building such as youth exchange visits with other projects within the country such as SIRP and the Zimbabwe Agricultural Growth Programme; exchange visits with other programmes within the Southern Africa Region e.g. SMLP in Eswatini; field days at farms or processing facilities run by successful youth, youth exhibitions and networking events at the Zimbabwe

¹⁶ Harvest Plus has experienced success with youth inclusion in its iron bean value chain.

¹⁷ <https://www.unicef.org/esa/sites/unicef.org/esa/files/2019-04/Investment-Case-for-Youth-in-Zimbabwe-%282016%29.pdf>

Agricultural Show; youth networking page on the project website and utilisation of social media platforms such as Facebook, WhatsApp for creating communities of practice and youth knowledge-sharing platforms. The Zimbabwe Farmers Union's Young Farmers Clubs will also be important for networking and peer to peer knowledge exchange for SACP young farmers.

Fostering youth innovation and capturing the voice of the youth. The WCDI Predesign report noted that there is currently low youth participation in rural governance and community decision making with youth often excluded from planning processes. Successful youth inclusion in SACP will encompass not only youth participation in value-chain activities but also the active participation of young women and young men in planning processes, governing bodies, and decision-making positions in APGs and other value chain processes. It is important that the voice of the youth be heard in both local value-chain processes and informing policy. Innovations for capturing the voice of young men and women in SACP will include, workshops; use of the GALS methodology to give young women and men a platform to identify the challenges that limit their participation and draw solutions; and community theatre to address sensitive issues and to promote community social behaviour change with the aim to stimulate greater active participation of youth. Youth will also be invited to policy dialogue platforms and given an opportunity to engage in policy discourses concerning agriculture, food and nutrition security and rural development policy issues. Policy dialogue platforms such as the FNC platforms will be leveraged for these purposes.

Partnerships for strengthening youth inclusion in SACP will include the following organisations.

The International Labour Organization (ILO) has relevant experience in targeted interventions (focus on women and youth) and models of small scale agro-processing and post-harvest that could benefit smallholder farmers in reducing food wastage and post-harvest losses. SACP will collaborate with ILO on issues of youth knowledge sharing and capacity building.

The Youth Desk in the Ministry of Lands, Agriculture, Water, Climate and Rural Settlements is currently implementing the National Young Champion Farmer Program to develop a database of young farmers in the 10 Provinces of the country. SACP will collaborate with the Youth Desk for the identification of youth in cropping, animal husbandry, innovation, irrigation and mechanisation, farm infrastructures and ICT.

Ministry of Youth, Sports and Recreation (MYSR) is responsible for policy on youth and empowerment. SACP will collaborate with the MYSR on issues of youth empowerment.

Youth Development and Employment Department is responsible for youth employment and will be an important partner for the SACP which seeks to create employment opportunities for the youth; and promote gender equality and equity among the youth, in particular, in education and training, socio-cultural, political, economic and legal spheres. SACP takes into account these five priorities in its youth inclusion strategies.

STRATEGIES FOR NUTRITION MAINSTREAMING IN SACP

Approaches to Improved Nutrition and Food Security. SACP is expected to increase marketed agricultural output and improve the target households' income levels. In principle, the increase in income could lead to dietary improvements in the household by enabling the purchase of more nutritious and diverse foods, as well as improving access to healthcare, better water and sanitation, and better education. However, this link is not automatic. Evidence shows that there are a number of factors, especially low nutrition awareness and women's social status that can prevent increases in income from leading to improvements in nutrition. Therefore, to ensure that an increase in income leads to

improvements in nutrition, SACP will mainstream three specific nutrition related approaches into the value chain activities aimed at increasing both availability and demand for diversified and nutritious food.

The first approach builds on increased income to be associated with nutrition education and Social and Behaviour Change Communication (SBCC) activities, which will boost the demand side by stimulating the consumption of more nutritious and healthy foods. Specific activities are elaborated hereunder.

Nutrition education and SBCC. SACP will stimulate the demand and consumption of nutritious foods through targeted nutrition education and SBCC aimed at positively changing social behaviours among beneficiaries of the project. Component 1 will provide annual training on nutrition and its application in nutrition-sensitive value chains (NSVCs) to the SACP beneficiaries. Considering that SACP is a value chain development project, nutrition education will also raise awareness on the net benefit of consuming rather than only selling the nutritious foods¹⁸.

In 2006, the Food and Agriculture Organization of the United Nations (FAO), in close collaboration with the Food and Nutrition Council (FNC), the Nutrition Unit in the Ministry of Health and Child care (MoHCC) and Agritex in the Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement, developed the Healthy Harvest Training Manual as a tool for training community-based extension workers in good nutrition, including growing, preparing and processing of nutritious food. The manual has been used since its publication, to train hundreds of government and NGO extension workers to deliver nutrition messaging to farmers¹⁹. SACP will explore partnership with Agritex which has well-developed and extensive extension system in the target districts, which could be capacitated to integrate nutrition education into the sub-project activities of beneficiaries while promoting wider similar effects to non-beneficiaries. Also, the MoHCC, Agritex, UNICEF and other UN agencies and NGOs in Zimbabwe currently make use of the MoHCC's care-group model for holistic impact and to deliver production, nutrition and WASH messaging to communities, with one voice. SACP will converge with these actors in the SACP target districts for coordinated delivery of extension and nutrition education.

The second approach focuses on the supply side and aims at making the selected value chains nutrition sensitive, by ensuring that investments in crops/animal sourced foods have a nutrition value in addition to being market and cash oriented. On the supply side, increased market availability of nutritious food will also be associated with community-based interventions to promote household food production (green gardens, small livestock, forestry products for household consumption, etc.). Below are the detailed specific activities.

Selection of value-chain commodities with high nutritional impact. Because the selection of the value chain commodities will to a large extent determine the project's success on climate and nutrition-related outcomes, the Pre-design Study Report produced by the Wageningen Centre for Development Innovation (WCDI) identifies commercially viable commodities that are recommended to co-benefit climate and nutrition while also enabling youth, gender, and environmental considerations to be addressed through the selected value-chains. The SACP project will make use of the matrix to guide value-chain commodity selection as well as evaluation of matching grant proposals to be funded in Component 1. The value chain analysis that will be conducted in Component 1 will identify the constraints in the selected value chains that could be addressed by the project to make them nutrition-sensitive while increasing household incomes. For APGs, Climate-Smart Productivity Enhancement Technical Assistance including e-extension solutions will be systematically delivered to the established APGs and, among the topics that will be

¹⁸I FAD (2019). Mainstreaming Nutrition in IFAD Action Plan 2019-2025.

¹⁹ <https://www.g-fras.org/en/world-wide-extension-study/216-nutrition-for-ras-library/training-resources/1004-healthy-harvest.html>

covered, will be best practices for crop selection, variety selection and nutrition-sensitive value-chains.

Adoption of biofortified/improved crops and livestock can increase the diversity and nutritional value of production²⁰. In its selected value-chains, among its beneficiaries, SACP will promote the adoption of drought-tolerant and heat-resilient and bio-fortified varieties as well as improved livestock breeds. During the SACP remote design mission consultations, Harvest Plus indicated keen interest to partner with SACP and to expand into SACP target districts to increase production, processing and utilization of commercially viable nutrient-rich biofortified staple varieties – such as vitamin A and zinc maize, iron pearl millet, vitamin A sweet potato and iron beans – and other nutrient-rich commodities²¹. The benefits that Harvest Plus would bring to SACP target areas include development of district-level farmer-led seed/vine multiplication centres for supply of biofortified seeds or vines to other local farmers. SACP will explore partnership with Harvest Plus for training on food preparation and processing for nutrient preservation and for increasing utilization of diverse nutrient dense and biofortified foods.

Post-harvest loss management. Poor post-harvest management leads to high levels of food loss and waste as well as nutrient losses. Making value-chains more efficient helps to reduce losses and waste of particularly nutritious food, increases market availability of nutritious food and increases producers' incomes. SACP will therefore minimize food and nutrient loss and waste in its value chains as recommended in the WCDI Pre-design report. Under Category 1 of Component 1 matching grants, APGs and their members can apply for finance to invest in, among other areas, technologies that reduce pre- and post-harvest food losses and waste. Examples include bird scaring technologies to reduce pre-harvest loss of small grains, grain dryers that reduce the moisture content of maize to avoid aflatoxins and metal silos that minimize loss due to rodents, pests, water etc. APGs and micro-enterprises can apply for matching grants to invest in cold storage facilities that reduce loss due to spoilage of highly perishable agricultural commodities. Additionally, in Component 1 Climate Smart Productivity Enhancement, SACP will systematically deliver agricultural technical assistance and e-extension to established APGs and topics will also include effective management of food loss and waste.

Improving market availability of nutritious foods. It is envisaged that SACP will improve market availability of nutritious foods through Component 1 and Component 2 investments that are aimed at increasing production and marketing of nutritious foods. Investments that will increase production of nutritious food include the improvement of irrigation water supply under Component 2 and provision of CSA technical assistance; matching grants for APGs to improve their production and productivity; and matching grants criteria for selection of proposals that demonstrate nutritional impact under Component 1. Investments that will increase marketing of nutritious foods include the construction/rehabilitation of local level feeder roads under Component 2 to promote both production and marketing of large quantities of quality produce and reduce the time and cost of transport to the markets. This will also contribute to the reduction of food waste due to spoilage.

Community-based interventions to promote household food production will include the promotion of nutrition gardens, small livestock with a short-production cycle and the sustainable harvesting and consumption of forest products such as wild fruits and edible insects (particularly in Matabeleland North and Mashonaland central where these are commonly consumed). It is hoped that SACP will benefit from ASAP+ or the Green Climate Fund resources, should that be successful SACP would consider providing its beneficiaries with starter kits for development or revitalisation of nutrition gardens.

²⁰ <https://www.agtalks.org/documents/38714170/40237450/Scaling+up+note+on+nutrition-sensitive+agriculture+and+rural+development/b0b49ae7-fc72-4967-9a60-d591ceb9e6af>

²¹ SACP remote design mission consultations (2020).

Nutrition gardens would be supported by Component 2 investments to improve village-level water supply systems for year-round access to safe water for multi-purpose use such as domestic, gardening and livestock use.

Workshops for value chain stakeholders on nutrition issues. Nutrition education in SACP will not only be limited to APGs, but will also be provided to other value-chain stakeholders through workshops where issues of NSVCs will be deliberated. The workshops will provide an opportunity to raise nutrition awareness among all actors in the food value chains including processors, handlers, transporters, retailers and consumers. In these workshops, the value-chain actors will have an opportunity to identify nutrition mainstreaming opportunities along the supported value chains and to proactively establish appropriate solutions for any challenges identified. This will also benefit the market availability of nutritious foods.

The third approach relates to women's empowerment in ways that improve nutrition. This consists of different interrelated components, such as women's use of income for food and non-food expenditures, the ability of women to care for themselves and their families, and women's energy expenditure. Specific activities will include:

- i. **Investment in technologies that reduce women's time and energy-demands.** Some of the constraints faced by rural women include heavy workload and limited access to clean energy. Women are more commonly associated with on-farm processes that have high labour, time and energy demands, thereby reducing time for self- and childcare. Under the Component 1 matching grants, beneficiaries can apply to be funded for labour-saving on-farm and primary processing technologies such as tractors, no-till planters, threshers, dehullers, shellers and grain cleaning technologies. These would greatly reduce time and energy spent by women doing on-farm work. Also, women often have to travel long distances to source water for household use. Under Component 2 (Climate Proofed Infrastructure Investments), SACP will also invest in public infrastructure such as small water and energy projects (e.g. solar-powered boreholes) to support crop and livestock production for the targeted value-chains. These will bring safe water sources closer to households, thereby reducing the time that women travel to get potable water for household use. Furthermore, to minimize the SACP VC, gender and nutrition training time demands on women, all training will be carried out close to their homes, and the trainings will be scheduled to avoid coinciding with meal preparation times and busy times in the agricultural calendar. In addition, alternative childcare arrangements will be made for women with young children so that they can attend training with minimal distraction.
- ii. **Women's use of income for food and other nutrition and health-related expenditures.** SACP will accompany income generation activities with strategies to empower women and men so that household decisions on use of income may contribute to nutrition. In Component 1, training shall also include household budgeting to benefit women's decision making on use of income for food and non-food expenditures. SACP will make use of GALS methodology to encourage joint decision making on use of household income. Research has shown that income that is controlled by women is more associated with higher household food expenditure and nutrient intake than income controlled by men (Thomas, 1997)²². SACP shall empower women through BDS activities in Component 1 and also make use of innovative strategies that will be identified through the GALS methodology to increase women's participation in higher income activities along the value chains in order to increase the amount of income reaching women's hands. The SACP targeting strategy also makes provisions for women to account for a minimum of 50 per cent of all project beneficiaries. This will increase women's income for

²² Thomas, 1997. "Incomes, Expenditures and Health Outcomes: Evidence on Intra-Household Resource Allocation", in L. Haddad, ed., *Intra-household Resource Allocation in Developing Countries, Models, Methods and Policy*, Baltimore, MD: Johns Hopkins university Press.

nutrition-related needs (such as purchase of nutritious foods, seeking health care, children's education) and other household expenditure.

- iii. **Increasing women's ability to care for themselves and their families.** As women frequently bear the responsibility of childcare and other unpaid household work, it is important to encourage fathers and other household members to share the burden of childcare and other household work to enable women to have more time to care for themselves and their families. Reconfiguring gender roles and household responsibility can be a sensitive topic that requires to be handled carefully. As such SACP will make use of the GALS methodology to enable beneficiaries – men and women together – to reconstruct household norms on distribution of childcare and other household responsibilities. SACP will also employ community theatre, a tool proven to be effective in generating dialogue on sensitive issues in a manner that invigorates spectators to take action that brings about the desired change at household and community levels. Community theatre will allow the target group, particularly women to freely and openly talk about the challenges they are facing in a non-threatening and non-intimidating manner²³.

More details on the women's empowerment activities that will co-benefit nutrition are provided above in this PIM in sections about gender mainstreaming in SACP.

A growing body of evidence indicates that access to safe drinking-water, sanitation, and hygiene (WASH) services has an important positive impact on nutrition²⁴. Poor rural households in Zimbabwe have disproportionately less access to potable water and sanitation facilities. One fifth of households in Matabeleland North spend more than 30 minutes to fetch water. Matabeleland North has the highest levels of open defecation (more than 50 per cent in all its districts), with Binga district having up to 74.3 per cent²⁵. Limited access to safe water affects particularly women, as they have to walk long distances to fetch water. A large proportion of women (33 per cent) also experience challenges accessing health facilities due to distance with the highest being in Mashonaland Central (49.1 per cent)²⁶. According to the IFAD Upscaling Note on Nutrition Sensitive Agriculture and Rural Development, WASH interventions are particularly important because "consistently unsafe water and unhygienic conditions can lead to repeated bouts of illness that can affect the individual's need for and ability to benefit from food and results in chronic undernutrition". SACP will address WASH through a combination of Component 2 investments and SBCC.

The Component 2 participatory planning processes involving both women and men beneficiaries for the identification of SACP-supported cluster infrastructure investments will present an opportunity for beneficiaries to consider potable water and sanitation infrastructure. Component 2 will improve domestic water supply (solar powered protected wells/boreholes and springs) and sanitation facilities in wards in the target areas. This will increase access to safe drinking water and sanitation in the target communities. To support decision making on WASH infrastructure and to promote better WASH practices, SACP will pursue partnership with the MoHCC, UNICEF as well as other development partners who are involved in WASH promotion and ending open defecation to support SACP project beneficiaries with WASH messaging and related services.

COVID-19 mitigation. The impacts of the Covid-19 pandemic have been experienced on a global level and it is not yet known how extreme the ultimate consequences will be particularly for developing countries such as Zimbabwe, that have high malnutrition, poor food security, poor WASH, and a poor health system. The SACP design provides for potential mitigation and recovery from COVID-19 related shocks in the following ways:

²³ <http://www.ngopulse.org/article/theatre-development>

²⁴ Bakker et al., (2020). Pre-Design Report "Climate adaptation and mitigation measures for nutrition co-benefits in IFAD investments in Zimbabwe". Wageningen Centre for Development Innovation. Wageningen, May 2020

²⁵ ZIMVAC (2019). Rural livelihoods assessment report.

²⁶ Zimbabwe Demographic Health Survey of 2015

increasing safe community-level water sources for household use and sanitation (Component 2); improving production, productivity and market availability of nutritious foods (Component 1) for improved nutrition and health; and localised value-chain development and cluster approach which decreases the need to travel between provinces. SACP will assess the COVID-19 situation during implementation and develop appropriate adaptation measures to ensure the continued effective functioning of the value chains/clusters. To ensure continued support to the APGs, SACP will make use of e-extension and mobile software applications such as the *Kurima Mari* app in Zimbabwe, which is designed to address challenges associated with mobility restrictions and maintain social distancing rules by eliminating the need for physical interaction and allowing for knowledge transfer through a safe digital channel. The project will also support extension workers where possible with resources for mobility (motorbikes and fuels, where feasible) to increase farmers' access to one-on-one extension services, that promote social distancing, instead of group extension.

TA for research to support nutrition mainstreaming in SACP. SACP benefited from the multi-country grant funded under ASAP 2 (The Adaptation for Smallholder Agriculture Programme, Phase II), entitled "Technical support in climate and nutrition linkages in IFAD's investments", implemented in collaboration with Wageningen Centre for Development Innovation (WCIDI). The grant aims at increasing nutrition co-benefits for poor smallholder farmers and their families while strengthening IFAD's capacity of addressing the bidirectional relationships between climate and nutrition in IFAD project design. A Pre-design Report "Climate adaptation and mitigation measures for nutrition co-benefits in IFAD investments in Zimbabwe" was produced in May 2020 to inform the best ways to strengthen the integration of nutrition as well as gender equality aspects into CSA and productivity enhancement actions of SACP. The identified activities have been included in the detailed description of activities above and some of them will be implemented by SACP either through ASAP+ or Green Climate Fund grant Resources, to be requested at a later stage.

Coordination for nutrition impact. Linking with country level nutrition coordination bodies is important for lesson learning, knowledge exchange and policy dialogue. Important coordination platforms that SACP will link with include the Scaling-Up Nutrition, a global platform which also has national structures for sharing experiences between countries and network partners through its thematic country meetings, regional workshops and Annual Global Gatherings. The Food and Nutrition Council (FNC) is the lead agency responsible for the multisectoral coordination, of a cohesive national response and national dialogue on food and nutrition security in Zimbabwe between the government and development partners and is a critical partner for SACP country level policy engagement on issues of nutrition. The Food and Nutrition Security Committees (FNSC) are institutional structures for coordinated multi-sectoral implementation of the Food and Nutrition Security Policy and programmes, at all administrative levels from the national to the ward level. SACP will partner with the FNSCs particularly for lesson learning, knowledge exchange and capturing the voices of the communities for food and nutrition security country-level policy engagement.

Strategic partnerships. SACP recognises that it does not have the breadth and resources to minimize every contributor to malnutrition in the target area. Hence partnerships and coordination with other UN agencies, Government departments, NGOs and other relevant institutions will be important for effective implementation of nutrition mainstreaming strategies in SACP. SACP will explore partnerships with the following organisations, as well as others that will be identified during implementation:

Agritex a department in the Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement (MLAWRR) has specialist branches, provincial and district offices that provide technical and advisory services, regulatory services, farmer training, food technology (including post-harvest processing and product development) dissemination of technologies and provide market oriented extension for sustainable farming. Currently Agritex is rolling-

out country-wide training of its extension staff on nutrition-sensitive agriculture. It would be a strategic partner for the delivery of nutrition education at ward-level and for providing extension support to the smallholder farmers.

The Ministry of Health and Child Care (MoHCC) adopts essential nutrition actions for improving maternal, new-born, infant and young child nutrition and health at health facility and community levels. Partnership with the MoHCC will be important for ensuring better access of the SACP target group to healthcare services as well for delivery of nutrition education, and for delivery of health services for those suffering from HIV and AIDS.

Harvest Plus promotes rural nutrition through increased production and consumption of bio-fortified crops. During the SACP remote design mission consultations, Harvest Plus indicated keen interest to partner with SACP and to expand into SACP target districts to increase production, processing and utilization of commercially viable nutrient-rich biofortified staple varieties – such as vitamin A and zinc maize, iron pearl millet, vitamin A sweet potato and iron beans – and other nutrient-rich commodities. The benefits that Harvest Plus would bring to SACP target areas include development of district-level farmer-led seed/vine multiplication centres for supply of biofortified seeds or vines to other local farmers. Harvest Plus also provides training on food preparation and processing for nutrient preservation and for increasing utilization of nutrient dense biofortified foods.

The Zimbabwe Agricultural Growth Programme (ZAGP) is an EU-supported programme focusing on livestock value chains in all 10 provinces of Zimbabwe. Partnership with ZAGP will be important for increasing access to small livestock which is important for the livelihoods of women and for increased access to animal source protein. ZAGP is developing an Agricultural Extension Training App that will be used by extension staff for on-the-job training. SACP can add content on nutrition and other topics to the trainings once up and running.

UNICEF in Zimbabwe works to improve water and sanitation services as well as basic hygiene practices. It is currently leading the initiative to end open defecation in Zimbabwe by 2030. It works in 45 districts and would be a strategic partner for the delivery of WASH interventions in the SACP project target districts.

The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) a CGIAR organization that conducts agricultural research for development in the drylands, focusing on crop and livestock production of relevance to smallholders. ICRISAT would be a strategic partner for the supply of seeds for iron-rich millet and other small-grains that are of nutritional importance in the SACP project. These seeds will also be of cultivars that are drought- and heat-stress tolerant.

Econet Wireless has a subsidiary, ECOSURE that has a new facility to enable small-scale farmers to access cold-chain facilities for enhanced market access and high-value crop production. Access to such cold-chain facilities by SACP's horticulture value-chains has potential to reduce post-harvest food loss from spoilage.

International Labour Organization (ILO) has relevant experience in targeted interventions (focus on women and youth) and models of small scale agro-processing and post-harvest that could benefit smallholder farmers in reducing food waste and post-harvest losses.

Nutrition Mainstreaming Knowledge Management (KM). SACP will employ KM tools in promoting sharing of nutrition mainstreaming lessons learnt, innovation and good practices within the project, at national level as well as with other countries in the region and globally. For this purpose, SACP will collaborate with WCDI to conduct research related to nutrition mainstreaming in SACP. This will generate evidence on what works in improving nutrition outcomes through NSVCs in a unique situation such as Zimbabwe where food prices are ever increasing. There is competition from cheaper imported goods and HH already spend about 70 per cent of their income on food but are still malnourished and food insecure. Findings will be published and will help to inform implementation, policy engagement as well as scaling up. The collaboration with WCDI will also provide an added

benefit of building the capacity of project implementers to deliver better on nutrition mainstreaming in SACP.

SACP will conduct field technical workshops and exchange visits with other IFAD co-funded projects such as the Smallholder Irrigation Revitalization Programme (SIRP) in Zimbabwe and the Smallholder Market-Led Project (SMLP) in Eswatini. These will promote sharing of lessons learnt and knowledge exchange on nutrition within the Zimbabwe country programme and other country programmes in the IFAD portfolio.

SACP will develop a system for consistent capturing of stories from the field including engaging a journalist to capture written, video and picture stories from SACP beneficiaries and other innovative tools such as community theatre for capturing the voices of beneficiaries (particularly women) for the purposes of country level policy engagement to inform nutrition mainstreaming considerations in policy and programmes. SACP will link with the FNSCs to utilise their policy dialogue platforms at district, provincial and national levels. Additionally, SACP will produce how-to-do manuals on successful nutrition mainstreaming innovations from implementation; as well as document and disseminate good practices in nutrition mainstreaming for out-scaling.

Monitoring and evaluation (M&E). SACP recognises the importance of making use of IFAD's Core Outcome Indicators on nutrition in generation of evidence on nutrition mainstreaming. SACP will therefore include the following core outcome and output indicators in its logical framework:

- Output level: Number of households provided with targeted support to improve their nutrition

Outcome level: Number of Households with improved nutrition Knowledge Attitudes and Practices (KAP). SACP will also conduct a nutrition baseline survey before any value-chain activities commence to identify the status of food security, food consumption patterns, status of malnutrition, childcare practices and WASH in the target areas for informing selection of value-chain commodities and nutrition-sensitive interventions that are contextualized to the target areas, and importantly, to provide baseline values for the selected set of nutrition indicators. SACP will also make use of the IFAD's empowerment indicator based on project-level Women's Empowerment in Agriculture Index (pro-WEAI) tool to measure SACP beneficiaries' empowerment in three domains²⁷: decisions about agricultural production; access to and decision-making power about productive resources; control of use of income; and leadership in the community and time allocation, which also have an impact on household nutritional outcomes and women's dietary diversity.

Nutrition mainstreaming strategy. SACP will also develop a nutrition strategy with an associated logical framework.

Implementation arrangements. Nutrition mainstreaming activities will be financed under Components 1 and 2. Agritex will be the main implementing partner which will provide the important interface with beneficiaries for provision of nutrition education. A Social inclusion and Nutrition specialist will be recruited at the SACP National PMU supported by Social Inclusion and Nutrition Officers at the Provincial PMU.

²⁷ <https://weai.ifpri.info/versions/pro-weai/>

Appendix 1: Targeting Checklist

Targeting checklist	Design
1. Does the main target group – those expected to benefit most – correspond to IFAD’s target group as defined by the Targeting Policy (poorer households and food-insecure)?	Yes, SACP will target the poor smallholder farmers in the rural areas where rural poverty is most prevalent in communal lands (CL) (79.2 percent), followed by resettlement areas (both old resettlement and A1) with 76.4 percent. There is also high food and nutrition insecurity due to recurring droughts.
2. Have target sub-groups been identified and described according to their different socio-economic characteristics, assets and livelihoods – with attention to gender and youth differences (matrix on target group characteristics completed)?	Yes, target group has been identified based on review of literature and includes poor smallholder farmers classified into poverty groups -Category A, B1, B2 and C, including youth and women. The matrix on target group characteristics has been completed.
3. Is evidence provided of interest in and likely uptake of the proposed activities by the identified target sub-groups? What is the evidence (matrix on analysis of programme components and activities by principal beneficiary groups completed)?	Yes, the value chain and the clusters are based on the historical analysis of the value chain that are practiced in the areas and hence the framers are most likely to adapt to the same value chains.
4. Does the design document describe a feasible and operational targeting strategy in line with the Targeting Policy, involving some or all of the following measures and methods:	Yes, the design describes a multi-pronged and inclusive targeting strategy.
<i>4.1 Geographic targeting – based on poverty data or proxy indicators to identify, for area-based projects or programmes, geographic areas (and within these, communities) with high concentration of poor people;</i>	Yes, SACP targets 5 rural provinces of Zimbabwe where there is a high concentration of the rural poor, in particular women and youths, and where there is climate vulnerability and the proximity to the agricultural corridors. The project will be implemented in 18 districts with high poverty prevalence, potential for smallholder commercialisation and value chain development and potential for private sector value chain development.
<i>4.2 Direct targeting – when services or resources are to be channelled to specific individuals or households;</i>	At least 50 per cent of total beneficiaries should be female-headed households and another 30 per cent unemployed underemployed youth (young men and young women). Poor smallholder farmers will be identified through a call for proposals in the agricultural producer groups. However, for eligibility, the APG should have the majority of poor farmers.
<i>4.3 Self-targeting – when good and services respond to the priority needs, resource endowments and livelihood strategies of target groups;</i>	SACP provides an opportunity for the participation of poor farmers, in particular women, youths in APGs and microenterprises. The greatest amount of the matching grant is in APGs. The matching grant contribution is low enough for the farmers to afford and in-kind contribution is also considered. This ensures that the services respond to the needs, endowments and livelihood strategies of the target group. The promotion of group approaches are not attractive to wealthier groups.

<p>4.4 Empowering measures – including information and communication, focused capacity- and confidence-building measures, organizational support, in order to empower and encourage the more active participation and inclusion in planning and decision-making of people who traditionally have less voice and power;</p>	<p>GALS will be used to address the underlying root causes for gender inequality. SACP will raise gender awareness at community level. Community based targeting will be used to identify the poor. In addition, community-based consultation will be used for the development of infrastructure (component 2). SACP will strengthen groups through BDS, CSA, financial management training. In addition, GALS will strengthen women, men and youth in leadership as well as reduce GBV and workloads due to equitable labour balance. SACP will disseminate information about the project in order to increase transparency.</p>
<p>4.5 Enabling measures – to strengthen stakeholders’ and partners’ attitude and commitment to poverty targeting, gender equality and women’s empowerment, including policy dialogue, awareness-raising and capacity-building;</p>	<p>Component 1 comprises of capacity building and support for APGs in terms of building their capacity in CSA technologies, BDS and financial literacy. SACP will carry out gender sensitive training and provide facilitators. The project will also sensitise project staff and use participatory methodologies for M&E</p>
<p>4.6 Attention to procedural measures – that could militate against participation by the intended target groups;</p>	<p>The project will liaise with the Ministry responsible for SMSE to ensure that the APGs are registered at local level. Legal registration will not be a requirement for the groups. Groups will be provided with technical assistance to develop proposals</p>
<p>4.7 Operational measures – appropriate project/programme management arrangements, staffing, selection of implementation partners and service providers.</p>	<p>The design includes recruitment of a Gender and Youth Expert as PMU staff, Technical Assistance to design a gender strategy and gender training manual and appropriate budgets for involving intermediary organizations and service providers with expertise on community development, for the implementation of the targeting strategy</p>
<p>5. Monitoring targeting performance. Does the design document specify that targeting performance will be monitored using participatory M&E, and also be assessed at mid-term review? Does the M&E framework allow for the collection/analysis of sex-disaggregated data and are there gender-sensitive indicators against which to monitor/evaluate outputs, outcomes and impacts?</p>	<p>Yes, the design document specifies that targeting performance will be monitored using participatory M&E and will be assessed through COI based surveys conducted at baseline, mid-term and completion. WEAI survey will be conducted as part of baseline data and M&E systems will be disaggregated by sex and gender and target groups. Participatory monitoring and evaluation systems will be established and gender sensitive monitoring indicators would be used to evaluate outputs, outcomes and impacts.</p>

Appendix 2: Gender Checklist

Gender checklist	Design
<p>1. The programme design report contains – and programme implementation is based on – gender-disaggregated poverty data and an analysis of gender differences in the activities or sectors concerned, as well as an analysis of each programme activity from the gender perspective to address any unintentional barriers to women's participation.</p>	<p>Yes, the gender strategy outlines the strategic gender equality and women's empowerment activities as well as pragmatic interventions to mainstream gender in all project components.</p>
<p>2. The programme design articulates – or the programme implements – actions with aim to:</p> <ul style="list-style-type: none"> • Expand women's economic empowerment through access to and control over productive and household assets; 	<p>Yes, activities in component 1 are designed ensure that women have access to matching grants at APGs, microenterprises and lead value chain enterprises. Women participation in the matching grants include: 50 per cent for APGs, 25 per cent for microenterprises and 25 per cent for lead value chain enterprise, in addition women will also benefit from the training on BDS, CSA and financial management. Through the training in GALS, the women and men will start to realise the benefit in equitable balance to access and control of productive household assets. In addition to their access and control of assets, access to technologies, improved business acumen, and income from market access, women will gain more self- confidence to negotiate confidently in market transactions and with service providers and have greater voice and influence in management committees.</p>
<ul style="list-style-type: none"> • Strengthen women's decision-making role in the household and community and their representation in membership and leadership of local institutions; 	<p>Yes, in Component 1 women in APGs will be encouraged to take up leadership positions in APG management committees and at household level women's social capital will be strengthened through their participation and voice in community institutions, particularly the APGs. through GALS men and women are encouraged to negotiate equitable balance in decision making</p>
<ul style="list-style-type: none"> • Achieve a reduced workload and an equitable workload balance between women and men. 	<p>Equitable workload balance between men and women will be promoted through GALS. SACP will select CSA technologies that will not add more workload on women. Additionally, the times and venues for training will be in such a way that they are suitable for women to attend. Value addition infrastructure will target labour saving technologies to ease the workload burden for women. Knowledge about the benefits at the different types of technologies could be disseminated during association meetings or by the</p>

	intermediary institutions. GALs will make men and women realise the benefit of sharing the workload balance.
3. The programme design report includes one paragraph in the targeting section that explains what the programme will deliver from a gender perspective.	Yes, an explicit gender targeting strategy is described.
4. The programme design report describes the key elements for operationalizing the gender strategy, with respect to the relevant programme components.	Yes, the gender strategy outlines strategic activities for gender equality and women's empowerment, and more pragmatic activities for integrating gender in all project components.
5. The design document – and the programme implements – operational measures to ensure gender-equitable participation in, and benefit from, programme activities. These will generally include:	
<i>5.1 Allocating adequate human and financial resources to implement the gender strategy.</i>	The JMU will include a staff member on Targeting and Social Inclusion and one of each in the 4 PIU. These will be responsible for gender mainstreaming in all project components as well as monitoring the implementation of the gender specific empowerment activities.
<i>5.2 Ensuring and supporting women's active participation in programme-related activities, decision-making bodies and committees, including setting specific targets for participation.</i>	Yes, 50 per cent of all the project beneficiaries will be women. Women will be represented equally in management committees in APGs. The components will focus on promoting gender equality and women's empowerment. Gender-sensitive activities are proposed for all GALS will be carried out at community level in order to address the root causes for gender inequality.
<i>5.3 Ensuring that project/programme management arrangements (composition of the project management unit/programme coordination unit, project terms of reference for staff and implementing partners, etc. reflect attention to gender equality and women's empowerment concerns.</i>	The PMU will recruit 5 targeting and social inclusion experts as part of the SACP staff. they will be responsible to design SACP gender strategy and action plan.
<i>5.4 Ensuring direct project/programme outreach to women (for example through appropriate numbers and qualification of field staff), especially where women's mobility is limited.</i>	Women will be active participants in APGs. Training will take place using field extension staff and community facilitators at local level. Women and men will participate in various training such as financial literacy, BDS and financial literacy training.
<i>5.5 Identifying opportunities to support strategic opportunities with government and other development organizations for networking and policy dialogue.</i>	SACP will carry out a pro-WEAI survey in order to identify the constraints and opportunities for women empowerment in relation to production, resources, income, leadership and time poverty. The results will inform the interventions in terms of addressing areas where the women are disempowered in particular on land rights.

<p>6. The programme's logical framework, M&E, MIS, and learning systems specify in design – and programme M&E unit collects, analyses and interprets sex- and age-disaggregated performance and impact data, including specific indicators on gender equality and women's empowerment.</p>	<p>Monitoring and evaluation of poverty targeting, gender and youth focus will be part of the project's supervision schedule. This will include one supervision mission and one follow-up mission annually; and a Mid-term Review. Progress on these issues will be reported in the project's bi-annual progress reports. All people-centred indicators will be disaggregated by gender and age and enriched by qualitative information and analysis. Reporting on poverty targeting, gender and youth focus will be part of the reporting requirements.</p>
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SACP INSTITUTIONAL ARRANGEMENTS AND RESPONSIBILITIES

A. Project Governance and Management Structures

Lead Agency and Programme Oversight

MLAWRR will be the Lead Agency of SACP, with Permanent Secretary (PS) of the Ministry as the responsible officer. MLAWRR will establish a Joint Management Unit (JMU) that will include the functions of both the Project Coordination Unit (PCU) of the SIRP project and the National Project Management Unit (NPMU) of the new SACP. This unit will be responsible for the management of the implementation of SACP. The JMU arrangement is expected to bring synergies and focus to the implementation of the IFAD country programme and provide broader and deeper expertise to tackle rural development challenges of Zimbabwe.

A joint Project Steering Committee (PSC) will be constituted for SIRP and SACP, chaired by the PS MLAWRR. The PSC will be responsible for programme oversight and strategic guidance. The PSC will be made up of senior representatives of the principal stakeholders including ministries relevant to SIRP, farmer organisations, and the private sector. to (i) provide strategic guidance to programme implementation, (ii) oversee programme planning, (iii) review the Annual Work Plans and Budgets (AWPB) prior to submission to IFAD, and (iv) review implementation progress and impact. The PSC shall meet twice a year and otherwise when required. The PSC will be chaired by the PS of MLAWRR and comprise of the representatives of the following public sector departments/institutions and private sector organisations that are expected to play key roles in the SACP efforts to develop rural value chains in Zimbabwe: Department of Strategic Policy and Business (DSPPB), Department of Mechanisation and Irrigation (DOI), and Department of Agricultural Extension Services Agritex) of MLAWRR; the Ministry of Finance and Economic Development (MOFED); Ministry of Women Affairs, Community and Small and Medium Enterprise Development (MWACSMED); Ministry of Environment, Tourism and Hospitality (METH); Ministry of Youth, Sports and Recreation (MYSR); and the Chamber of Commerce. The PSC will also include two senior members of the WUOs and APGs from the provinces, representing SIRP and SACP beneficiaries. The JMU will act as a secretariat for the PSC meetings.

The membership of the PSC would be reviewed during programme implementation and there is scope to widen it further or to invite stakeholders depending on the topic under review. The PSC will meet bi-annually to review and approve physical and financial progress, assess management effectiveness, decide on corrective measures where appropriate, review lessons learned and good practices, and approve AWPBs and Programme Procurement Plan (PP). Minutes of the meetings will be included in the programme's progress reports for review by IFAD.

Project Management and Staff

The JMU staff will consist of a mix of SIRP staff, officers working for both SIRP and SACP, and specialists specifically hired or seconded to manage the new SACP activities. The JMU and the NPMU of SACP will be based in Harare close to the MLAWRR premises.

The SACP National Coordinator, Senior Value Chain and Agribusiness Advisor, Senior Climate Smart Agriculture Advisor, Chief Accountant and Procurement Officer will be recruited from the market for the duration of the project. The M&E and Planning Specialist will be recruited from the market for the initial 3 years to assure a proper set up of the system, and thereafter replaced by secondment for 3,5 years. The overlapping period

between recruited persons and seconded ones will assure capacity building through an appropriate on-the-job learning process. While several specialists, particularly the key ones, are dedicated to only project, SACP shares an Office Secretary, Senior Social Inclusion Specialist and KM/Communication Specialist with SIRP.

To manage the field operations, SACP will establish four Provincial Project Implementation Units (PPIU), covering Matebeleland North, Mashonaland Central, Mashonaland East and Mashonaland West. The list of all NPMU and PPIU officers in the four SACP provinces is provided in Table 1 below. Their draft TORs are presented in this PIM at the end of this Section. Implementation for Kwekwe district in Midlands province will be the responsibility of the Matebeleland North PPIU while Chirumanzu will fall under the Mashonaland West PPIU.

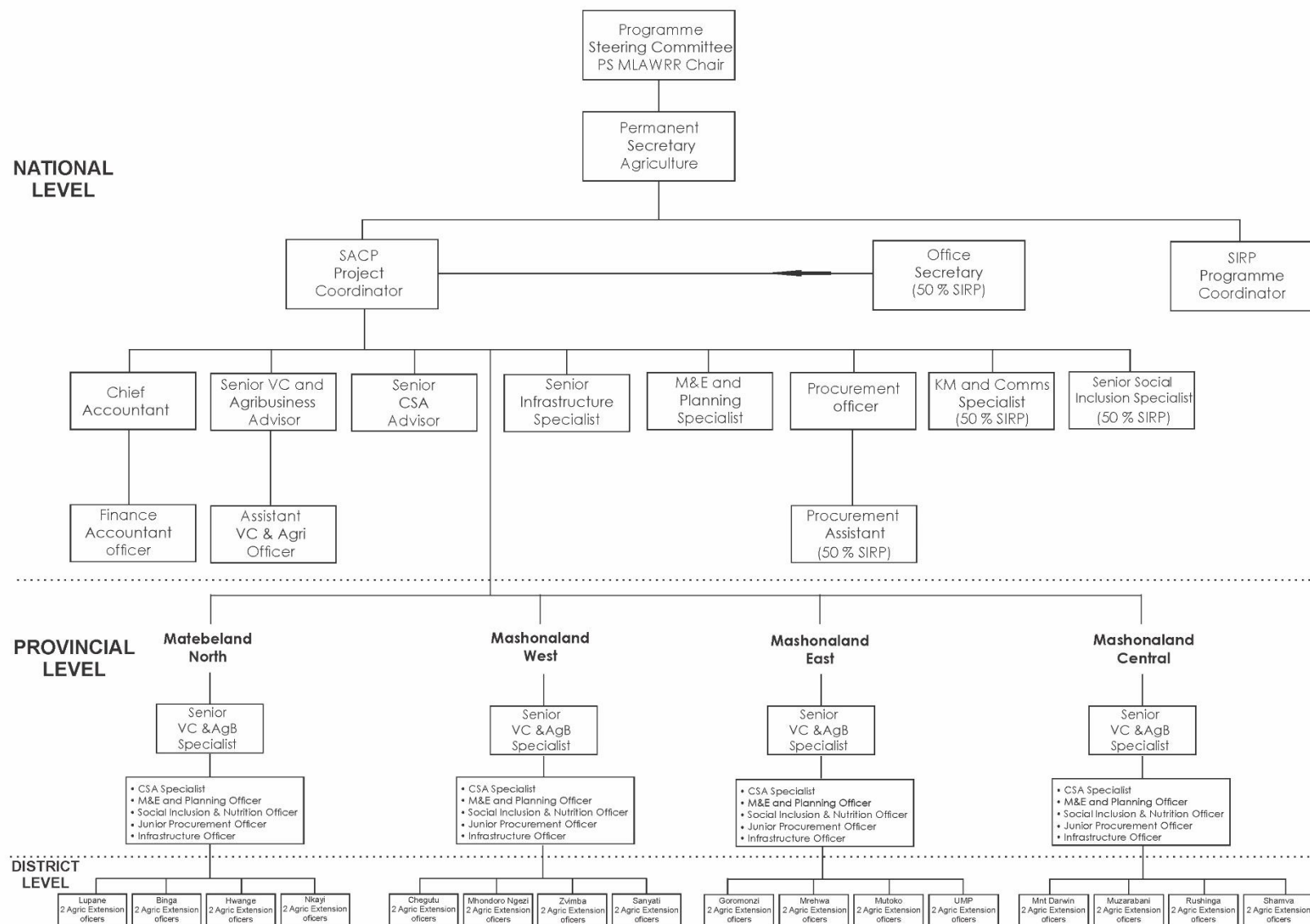
At the district level, the implementation will be carried out through Agritex extension network, who form implementation teams in 18 SACP districts covered by SACP. The districts level field operations will be supported by SACP-resourced staff from other public institutions and private sector service providers. The SACP budget includes adequate resources for field staff mobility and good telephone and internet connectivity to facilitate easy outreach to the SACP-supported communities and to improve the chances of reaching the SACP implementation targets in an effective manner. The illustration of the full organisation of SACP is shown in Figure 1 below.

Table 1: SACP Staff Composition²⁸

Position	Secondment or Recruited
National Project Coordinator	Recruited
Chief Accountant	Recruited
Senior Value Chain and Agribusiness Advisor	Recruited
Senior Climate Smart Agriculture Advisor	Recruited
Senior Infrastructure Specialist	Secondment
50% Senior Social Inclusion Specialist (with SIRP)	Secondment
M&E and Planning Specialist	Recruited for the first 3 yrs
M&E and Planning Specialist (after mid-term)	Secondment for 3,5 yrs
50% KM and Communication Specialist (with SIRP)	Secondment
Procurement Officer	Recruited
Financial Accountant (officer)	Secondment
Assistant Value Chain and Agribusiness Officer	Secondment
50% Office Secretary (with SIRP)	Secondment
Procurement assistant/clerk	Secondment
Driver/Office Assistant	Secondment
Provincial PPIUs	
Senior Value Chain and Agribusiness Specialist/ Provincial Coordinator (4)	Secondment
Climate Smart Agriculture Specialist (4)	Secondment
Infrastructure Officer (4)	Secondment
M&E and Planning Officer (4)	Secondment
Social Inclusion and Nutrition Officer (4)	Secondment

²⁸ The contracting method of some of the individual positions is under discussion with the Government of Zimbabwe

Position	Secondment or Recruited
Junior Procurement Officer (4)	Secondment
Driver/Office Assistant (4)	Secondment
Total	36 staff members
District level	
2 Agricultural Extension officers per district (total 32)	Secondment



B. Facilitation for Effective SACP Start-up

Initial Start-Up Operations. The SACP Financing Agreement (FA) makes available a start-up budget of US\$ 400,000 in respect of expenditures incurred before the completion of the disbursement conditions. Priority conditions precedent to withdrawals under the FA include: (i) opening of the designated account by MOFED; (ii) opening of Programme Operations Account by MLAWRR; (iii) recruitment and secondment of key NPMU staff²⁹; (iv) finalisation of PIM for approval; and (v) procurement and installation of a fully functional accounting software. Other start-up activities include the (i) setting up of the Programme Steering Committee; (ii) setting up of the Technical Assessment Committees; (iii) establishment of office space for NPMU (iv) identification of office space for PPIUs (v) procurement of goods and services as well as vehicles for NPMU and PPIUs and (vi) initial mobilisation and preselection of target groups. The National Project Coordinator, Chief Accountant, Agricultural Value chain and Agribusiness Specialist, CSA specialist, the M&E and Planning Specialist and KM and Communication Officers will start work from three to one month in advance in order to coordinate the start-up activities and to meet the disbursement conditions prior to the establishment of the NPMU.

Once the NPMU is in place, it will coordinate the following start-up activities in collaboration with the relevant implementing partners: (i) the finalisation of the AWPB for the first year; (ii) finalisation of the Procurement Plan for the first 18 months; (iii) finalisation of PIM; (iv) organising of the National Start-up Workshop; (v) training workshop for project staff and key staff of implementing agencies to coincide with National Start-up Workshop; (vii) holding four provincial information meetings; (viii) conducting district information meetings (ix) conducting ward level information workshops and (x) designing the questionnaires for socioeconomic baseline, pro-WEAI and the nutrition baseline survey.

Designated and Operations accounts. Two SACP accounts will be opened. MOFED (the Recipient) will open a single Designated Account denominated in US\$ (the "Designated Account") at the Bank agreeable to the Government of Zimbabwe, through which the proceeds of the loan shall be channelled. The Lead Programme Agency (MLAWRR) shall open one Project Operations Account denominated in US\$ (the "Operations Account") at a commercial bank acceptable to the Fund to receive and hold the financing transferred from the Designated Account. The accounts need to be opened on a priority basis to allow for the receipt of the start-up facility. Subsequently the accounts can continue as regular dedicated and operating accounts for the periodic disbursements. MOFED will submit account names, banks together with bank names and designations of signatories to IFAD prior to submission of any withdrawal application.

Submission of start-up budget. For the release of the start-up financing (prior to the first disbursement), a work plan and budget and a procurement plan are a prerequisite and need to be submitted to IFAD for its no-objection by NPC. The NPC will work with the various technical departments and the Department of Finance and Administration in MLAWRR to finalise the start-up budget and submit to PS MLAWRR for approval. The PS MLAWRR will submit the budget, procurement plan and the request for the disbursement of start-up funds to IFAD through MoFED.

Recruitment and Secondment of key PMU staff. This activity will be the responsibility of the MLAWRR Human Resources Department and the focal person in the Department of Agricultural Economics and Markets. Staff will be competitively recruited and competitively seconded and will all get performance-based contracts. As indicated above, this draft PIM

²⁹ National Programme Coordinator, Chief Accountant, Procurement Officer and Senior Value Chain and Agribusiness Advisor

includes Terms of Reference and specifies required qualifications for all SACP positions. The following steps are foreseen:

- The MLAWRR Human Resources Department will advertise the positions for: National Project Coordinator; Chief Accountant, Senior Value Chain and Agribusiness Advisor, M&E and Planning Specialist, and Procurement Officer. The applicants will be given two weeks to respond.
- MLAWRR's Human Resources Department will establish a panel of five interviewers with representation from the technical departments, i.e. Departments of: Irrigation, Agricultural Extension and Agricultural Economics and Markets, MLAWRR Finance and Administration Department, MOFED and the Accountant General's Office, to be part of the interview panel. The panellists will meet for two days to shortlist applicants, come up with interview questions and selection criteria. MLAWRR Human Resources Department will invite the shortlisted candidates for interviews that will be held over two days. After the interviews, the panellists will meet to select the candidates for the various positions.
- MLAWRR Human Resources Department will document the process and attach the CVs and draft contracts for the selected candidates before submitting these documents for IFAD's No Objection via MOFED. The recruitment of all key PCU staff is subject to IFAD's No Objection.
- Following receipt of IFAD's "No Objection", MLAWRR Human Resources Department will notify all the winning and losing candidates in writing. After the expiry of two weeks following this notification, candidates will commence duty. MLAWRR Human Resources Department will prepare contracts for staff to be signed between the PS MLAWRR and key staff members for respective duration of the programme and also following Public Service Commission regulations.
- The rest of the PMU staff will be competitively seconded by government. The positions will be advertised, and interviews carried out, and the seconded staff will resume their government position on expiry of the project duration. The seconded staff will continue to receive the government salary and a top up from the project. The PS MLAWRR will ensure that all steps as are carried out timely and in a transparent manner. All staff shall be selected competitively according to the Recipient's applicable procedures acceptable to the Fund and the hiring and termination of the contracts shall be subject to the Fund's "No Objection".

Establishment of the Programme Steering Committee (PSC). MLAWRR will establish the PSC for SACP (see description above). The MLAWRR drafts a letter, to be signed by the Permanent Secretary of MLAWRR, inviting nominations for PSC membership at senior position level. After confirmation of the names, MLAWRR will inform IFAD and the first PSC meeting will be organised to coincide with the establishment of the NPMU of the project.

Establishment of Technical Assessment Committees (TAC). MLAWRR will establish the TACs to provide technical support to the NPMU on Component 1 implementation. There are TACs at two levels, one at national level and one at each SACP province. The TAC at national level will be responsible for the screening of Expression of Interests (EOI) and the business proposals from the lead value chain enterprises, while the provincial TACs will screen the EOI and business proposals from the APGs and microenterprises against the set criteria.

Office facilities for SACP NPMU. The MLAWRR will avail sufficient office space for SACP NPMU to be housed in in a building near MLAWRR for the full duration of the Project. The office should have good internet connectivity. The office will accommodate all the NPMU staff and its operations, as well as supervision missions of the Project.

Offices for Provincial PIUs. The Department of Finance and Administration in MLAWRR will deploy two of its staff per province to identify office space for each of the four Provincial PIUs in the four SACP provinces. Offices will be secured through the Provincial Administrator. Depending on the condition of the offices, resources from start-up budget will be required for their appropriate refurbishment, including internet installation.

Finalisation of Project Implementation Manual (PIM). The NPMU will organise a workshop to review and finalise this PIM and will submit the final version to IFAD for approval. The timeline for the finalisation of the PIM is presented in the Table below:

Action	Deadline	Responsibility
Circulate the draft PIM to implementing agencies and PMU staff	April 2021	NPMU Project Coordinator
Submission of written comments on PMU	April 2021	Implementing partners and NPMU, PPIU staff, NPMU, PC, M&E Specialist, supported by Chief Accountant and Director, Agricultural Economics and Markets
Review comments submitted and incorporate in the PIM	May 2021	NPMU, PC, M&E Specialist, supported by Chief Accountant and Director, Agricultural Economics and Markets
Submit draft. PIM for PSC approval	May 2021	PSC
Submit draft for IFAD NO objection	June 2021	NPMU Project Coordinator

Initial Salary for NPMU staff. After the NPMU is established, it will require a maximum of three months to finalise the start-up activities before effectiveness of the programme. For this reason, a provision has been made from the start-up facility for a salary budget for selected NPMU staff during start-up phase. SACP staff on secondment will receive a top-up on salaries.

Finalisation of First Annual Work Plan and Budget (AWPB) and 18-months Procurement Plan. The NPMU – once established – will submit to IFAD for prior review its first 18-Month Annual Work Plan and Budget (AWPB) and its 18-month Procurement Plan (PP). The approved AWPB and PP are conditional to the release of the initial advance.

National Start-up Workshop. Assuming adequate progress in the above project start-up activities, a national start-up workshop is expected to take place around April 2021. The objective of the workshop is to obtain a full buy in from all stakeholders. The workshop will be organised by the NPMU together with MLAWRR. In addition to launching the project, the workshop will be used to:

- Take stock of preparatory activities carried out
- Introduce the Project to its key stakeholders to raise awareness
- Explain the scope, the policy framework and the activities and role of stakeholders in the project

- Confirm the section criteria for beneficiaries and area for SACP components and activities
- Present, explain and discuss the implementation procedures, as captured in the PIM, to SACP staff and key implementation partners.

As a result of the workshop, the SACP staff and its stakeholders are expected to have a shared view of:

- SACP objectives, activities and projected results within the framework of national and sectoral policies of Zimbabwe
- Roles in and responsibilities in the implementation of SACP
- Implementation and coordination mechanisms of the Project
- Administrative and financial procedures underpinning SACP management.

C. Other Implementing Agencies and Partnerships

When implementing its components and activities, SACP will work closely with the following national and local GoZ-related implementing agencies/partners:

- **Department of Agricultural and Extension Services (Agritex)** is responsible for agricultural extension, dissemination of agricultural market information, monitor crop and livestock trends, collate agricultural information, provision of capacity building to farmers in BDS, marketing and CSA.
- **Ministry of Women Affairs, Community, Small and Medium-Scale Enterprises** is responsible for the registration of the microenterprises and the APGs at local level. Capacity building for GALs.
- **Rural District Councils** are the custodian of the communal land and attend to complaints and redress mechanisms in the case of disputes.
- **Environmental Management Authority (EMA)** ensures adequate environmental safeguards are met in the targeted area.
- **Water User Organisations (WUOs)** will participate in the participatory irrigation design.
- **Climate Change Management** is responsible for coordination of all climate related policy in Zimbabwe.
- **Catchment Councils** are responsible for the issuance of water permits.
- **Zimbabwe National Water Authority (ZINWA)** is responsible issuance of water permits.
- **District Development Fund (DDF)** are responsible for the rehabilitation and maintenance of rural infrastructure including feeder roads.
- **Department of Mechanisation** is responsible for post-harvest technologies and soil and water conservation.
- **Department of Irrigation (DOI)** is responsible for irrigation infrastructure development and rehabilitation.

In addition in implementation partnerships, SACP will provide an opportunity to strengthen the overall implementation of the IFAD-supported SIRP and to harmonize the approaches in particular in market and value chain development and the mainstreaming topics such as nutrition and food security. Further, SACP will benefit from SIRP's partnership with Harvest Plus for increased production and consumption of bio-fortified crops.

It is also expected that SACP will collaborate with World Food Programme (WFP) in several areas related to resilience, food security and nutrition. Other possible implementation partners include (i) International Labour Organization (ILO) on youth employment, (ii) the Environmental Management Agency (EMA) on compliance with national regulations and the SECAP issues in SACP implementation, (iii) the Climate Change Management Department (CCMD) on incorporation of climate change adaptation measures and monitoring their effectiveness, (iv) UNICEF on the delivery of WASH interventions in the SACP project target districts, and (v) the Ministry of Health and Child Care on nutrition education through its care group model and on the delivery of health services to boost maternal and child nutrition. Finally, Wageningen University has provided support for the SACP design as regards the definition of the nutrition and climate resilience strategy. Further linkages with Wageningen will be explored during implementation. In the Table below, SACP's overall partnership strategies are further presented.

SACP Co-Financing and Implementation Partnership Approach

<i>Partnering Functions</i>	<i>Partners/Networks/ Platforms</i>	<i>Specific Results and Outcomes from Partnership</i>	<i>Justification for Partnership</i>
Mobilizing co-financing	MoFED, MLAWRR, MWACSMED	Agreed co-investment and finance plan; monitoring repayments and arrears settlement; counterpart contributions	Borrower and delegated agencies
	OPEC Fund	Expansion of SIRP co-financing and potentially other operations	Expansion of IFAD/OFID co-financing
	GCF	Increase co-financing for climate resilience	Mobilisation of climate funds
	In-kind beneficiaries from	Commitment and ownership	Sustainability
Strengthening private sector engagement	Chamber of Commerce	Understanding comparative advantages of specific commodity Value Chain aspects to (emerging) smallholder farmers	Dual nature of SOs and projects under this COSOP
	Banks and Insurance	Understanding comparative advantages of specific tools and instruments, incl. e-banking	Reduced vulnerability and enhanced resilience at country and farmer levels
	Selected retailers and process industry (goat dairy, premium veggies)	Value-adding and securing markets for beneficiaries	Securing remunerative value chains
Engaging in policy and influencing development agendas	Government of Zimbabwe Executive	Dialogue to support transformative policies and CBs on gender and	Pro rural poor policies operationalised

<i>Partnering Functions</i>	<i>Partners/Networks/ Platforms</i>	<i>Specific Results and Outcomes from Partnership</i>	<i>Justification for Partnership</i>
		youth; Mitigate risks specified in main text	
	RBA	Mobilize information to support transformative policies on gender and youth; Mitigate risks specified in main text. Co-finance International Women day and Rural Women's day	Complementary united positioning for strength leaving space for IFAD mandate
	Farmer and Women or Youth Organizations, Unions and Associations	Catalysing the role of F/W/YOs in rural transformation policy setting and monitoring	Ultimate accountability framework in action
Enabling coordinated country-led processes	Government of Zimbabwe Executive	Country ownership in ambitious rural transformation	Ultimate rationale
	NGO sector	Provide a neutral, protected bargaining space	Ultimate rationale
	ZUNDAF Working Groups	Inform partners on progress and challenges; inform policies and operations	Ultimate rationale

D. TOR for Key SACP Staff

Below, the draft TOR for all SACP professional staff in NPMU and PPIUs and the contracted private service providers are presented.

Draft Terms of Reference: National Project Coordinator

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: National Project Coordinator

Duty Station: Harare

Overall Scope of Work

The Project Coordinator (PC) will head the National Project Management Unit (NPMU) and as such will have overall responsibility for management and coordination of SACP with the objective to achieve an increased smallholder participation in market-oriented and climate-smart value chains in the project area.

The PC assures that the SACP is implemented along the guidelines provided by the financing agreement, design report, implementation manual and following the guidance given by the lead ministry MLAWRR, steering committee and supervision missions.

Main tasks and Responsibilities

- To promote efficient coordination within the Joint Management Unit (JMU) and seek synergies and complementarities with the Smallholder Irrigation Revitalisation Programme (SIRP), implemented under the same unit, assuring, jointly with SIRP National Director, in particular the efficient use of shared assets and human resources;
- To ensure an optimum use of SACP resources in achievement of the agreed objectives of the project;
- To expedite and coordinate the timely Annual Work Plan and Budget (AWPB) process at all levels, and ensure that these are developed in a fully participatory manner, learning from previous years
- To direct project implementation in accordance to agreed plans and to report on progress and outcomes in a methodological manner, including technical reports and financial reporting;
- To ensure the project adheres to social, environmental and climate-related safeguards and contributes to gender equity, women's empowerment and inclusive development;
- To ensure full functioning of the project's Monitoring and Evaluation system that captures and analyses disaggregated data on gender and social inclusion and make use of the system as a management tool;

- To ensure accurate knowledge management of the project, including information dissemination about project implementation progress and lessons learned;
- To ensure proper financial management, including timely disbursements and comprehensive reporting on expenditures and expenditure forecasts;
- To ensure efficient procurement in line with the Procurement Plans;
- To ensure a strong sense of teamwork within the NPMU and wider JMU and to foster constructive engagement among the partners involved in Project implementation;
- To direct NPCU staff both at Head Office and add provincial level, as well as hired service providers and consultants, to carry out their agreed duties in a way aimed at achieving the Project objectives;
- To maintain liaison with provinces and districts, their leadership and their representatives in the project area;
- To develop, negotiate and implement agreements with project partners, including communities, private sector, government entities and non-government organisations; and others as deemed necessary; and
- To represent the project to all external stakeholders.

Qualifications and Competences

A Master's degree in Agribusiness, Agricultural Economics, Management, or other relevant discipline related to Agricultural Development.

Required Work Experience

- 15-years' experience in rural development in Zimbabwe, of which five in a managerial position;
- Experience in Project administration, financial management and reporting, preferably using systems of international institutions;
- An existing network of relations pertaining to community planning, smallholder agriculture; value chains and financial inclusion;
- Experience in collaborating across government ministries and in public-private dialogue; and
- Strong leaderships skills, including the ability to delegate responsibility within the team and to implementing partners.

Mode and Duration of Contract

Recruited for the total duration of the project, initial contract for 3 years (with possibility of extension based on performance)

Draft Terms of Reference: Senior VC and Agribusiness Advisor

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Senior VC and Agribusiness Advisor

Duty Station: Harare

Overall Scope of Work

Reporting to the National Project Coordinator, the Senior VC and Agribusiness Advisor will lead the SACP overall effort to identify and develop enterprise-led smallholder-inclusive value chains in the project target provinces and districts. The SACP target over project life is to provide TA and matching grants to 40 lead enterprises, 200 microenterprises and 800 Agriculture Producer Groups. Also access to financial services is promoted at all beneficiary levels.

The Advisor ensures the technical quality of the SACP value chain implementation according to the guidelines provided by the Financing Agreement, project design report, and the PIM and following the guidance by the Project Coordinator, the lead ministry MLAWRR, the SACP Steering Committee and IFAD supervision missions.

Main tasks and Responsibilities

- Lead project development and strategic support across all 5 provinces in the area of Value Chain and Agribusiness development;
- Coordinate the overall implementation of the BDS services to Lead Enterprises, Microenterprises and to Agricultural Producer Groups, following the detailed guidance in the Project Implementation Manual, paying special attention to the needs of men, women ;
- Coordinate the overall delivery of Matching Grants to Lead Enterprises, Microenterprises and to Agricultural Producer Groups, following the detailed guidance in the Project Implementation Manual;
- Liaise with the Financial Institution in charge of the Lead Enterprise Credits, and ensure coordinated targeting between Matching Grants and Credit Line according to the PIM;
- Ensure all APG/ME/LE Technical Assistance and Financial Support are appropriately planned for, prepared and implemented, following the guidance in the PDR and PIM;

- Support and coordinate the work by Provincial and District level SACP specialists and staff implementing value chain development activities;
- Coordinate and supervise the activities implemented by BDS service provider consultants;
- Facilitate market driven linkages between agribusiness producers, wholesalers, processors, and markets within the project areas;
- Meet and liaise with relevant ministry staff, other agriculture/business development projects in the country, the private sector, and other donors working in agriculture to ensure synergies are created and resources are leveraged;
- Attend relevant meetings, technical working groups, conferences, etc. to share knowledge, coordinate programmes, and promote SACP's work;
- Coordinate with SIRP to identify synergies and potential areas of collaboration;
- Provide capacity building support and mentoring to relevant SACP staff at all levels;
- Provide the agribusiness/VC development perspective vision and inputs to the development of the AWPBs;
- Draft the agribusiness/VC sections of the SACP annual progress reports;
- Contribute to SACP M&E activities from VC and Agribusiness point of view, including sex and age disaggregated data collection and reporting in coordination with the M&E team.

Qualifications and Competences

A Master's degree in Agribusiness, Agricultural Economics, Management, or MBA.

Required Work Experience

- 15-years' experience in rural development in Zimbabwe;
- Experience in value chain development, smallholder development, agribusiness, agriculture finance, international institutions;
- An existing network of relations pertaining to agribusiness, smallholder agriculture, value chains and financial inclusion;
- Strong leaderships skills, including the ability to delegate responsibility within the team.

Mode and Duration of Contract

Recruited for the total duration of the project, initial contract for 3 years (with possibility of extension based on performance)

Draft Terms of Reference: Assistant VC and Agribusiness Specialist

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Assistant VC and Agribusiness Specialist

Duty Station: Harare

Overall Scope of Work

Reporting to the Senior VC and Agribusiness Advisor, the Assistant VC and Agribusiness Specialist will assist the Senior VC/Agribusiness Advisor in overall SACP effort to identify and develop enterprise-led smallholder-inclusive value chains in the project target provinces and districts. The SACP target over project life is to provide TA and matching grants to 40 lead enterprises, 200 microenterprises and 800 Agriculture Producer Groups. Also access to financial services is promoted.

The Assistant Specialist supports the SACP value chain implementation according to the guidelines provided by the Financing Agreement, the design report, the PIM and following the guidance by the Project Coordinator and the Senior VC/Agribusiness Advisor.

Main tasks and Responsibilities

- Support the VC/Agribusiness Senior Advisor in the area of Value Chain and Agribusiness development;
- Support the overall implementation of the BDS services to Lead Enterprises, Microenterprises and to Agricultural Producer groups, following the detailed guidance in the Project Implementation Manual and paying special attention to the needs of women and men;
- Support the overall delivery of Matching Grants to Lead Enterprises, Microenterprises and to Agricultural Producer Groups, following the detailed guidance in the Project Implementation Manual;
- Support all APG/ME/LE Technical Assistance and Financial Support with the aim they are appropriately planned for, prepared and implemented, following the guidance in the PDR and PIM;
- Support the work by Provincial and District level SACP specialists and staff implementing value chain development activities;
- Support the activities implemented by BDS service provider consultants;

- Facilitate market driven linkages between agribusiness producers, wholesalers, processors, and markets within the project areas;
- Attend relevant meetings and technical working groups to share knowledge, coordinate programs, and promote SACPs work;
- Coordinate with SIRP to identify synergies and potential areas of collaboration;
- Support the SACP team in including the agribusiness/VC development aspects in AWPBs;
- Provide inputs to the agribusiness/VC sections of the SACP annual progress reports;
- Work closely with the SACP M&E team to capture VC and Agribusiness progress related data and results in the M&E system and reports.

Qualifications and Competences

A Bachelor's degree in Agribusiness, Agricultural Economics, Management, or MBA.

Required Work Experience

- 5-years' experience in rural development in Zimbabwe;
- Experience in value chain development, smallholder development, agribusiness;
- Strong team and interpersonal skills, including the ability to perform independently as well as a team player.

Mode and Duration of Contract

Seconded. Initial contract for 3 years (with possibility of extension based on performance)

Draft Terms of Reference: Senior CSA Advisor

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Senior CSA Specialist

Duty Station: Harare

Overall Scope of Work

Reporting to the Project Coordinator, the CSA Specialist will lead the work on climate change adaptation related activities in the project and overall coordination of the CSA and Productivity Skills Enhancement under Sub-Component 1.2. The specialist will also support policy dialogue, institutional coordination and local level capacity building in CSA and productivity skills. S/he will work in close collaboration with the other members of the NPMU and supervise the PPIU CSA Specialists and the CSA Service Provider that will support the implementation of the relevant activities in SACP.

Main tasks and Responsibilities

The CSA Specialist will be responsible for providing technical expertise in the three objectives of CSA: (a) sustainably increasing agricultural productivity, (b) building climate change resilience and (c) reducing green house gas emissions within the context of SACP. More specifically, the CSA Specialist will perform the following tasks:

- a) Provide technical inputs and guidance in the implementation of the sustainable agriculture production and climate change adaptation activities under SACP;
- b) Provide technical guidance to ensure the minimisation of green house gas emissions resulting from SACP activities;
- c) Provide inputs for measuring climate change resilience and improved agricultural productivity among the target men and women beneficiaries of SACP within the project's disaggregated data on gender and social inclusion in the Monitoring and Evaluation system, in close consultation with the SACP M&E staff;
- d) Ensure the inclusion of climate change resilience and environmental and natural resources management data collection in the baseline studies to be undertaken as part of SACP;

- e) Liaise with the Ministry of Lands, Agriculture and Rural Resettlement and Ministry of Environment, Water and Climate counterparts and with the Project Coordinator, and engage in ongoing national and regional level policy dialogue;
- f) Undertake the technical review of CSA case studies, maps and technical papers being produced under SACP;
- g) Identify the appropriate dissemination channels for the case studies, vulnerability maps and other publications to be produced as part of the SACP;
- h) Participate in the screening of business plans produced by the APGs to ensure integration of feasible CSA practices;
- i) Provide training to fill the knowledge and capacity gaps of the various project stakeholders including service providers and the project team in the understanding, planning and implementation of CSA measures;
- j) Provide strategic orientation in planning, implementation and monitoring stages through periodic field visits to project intervention areas;
- k) Liaise with Environmental Management Agency officials to coordinate the development and implementation of environmental and social management plans for the agricultural productivity activities as required by the Environmental Management Act;
- l) Contribute to the preparation of the AWPB;
- m) Contribute to reporting structures as laid out in the SACP documentation;
- n) In collaboration with the other NPMU members, ensure the recruitment for the CSA Service Provider, including the development of specific terms of reference, preparation of detailed work plans, as well as defining and agreeing on the exact nature and timing of the deliverables with the Service Provider; and
- o) Undertake any other duties (related to SACP activities) as may be assigned by the Project Coordinator.

Qualifications and Competences

- A Master's degree in agronomy, climate change adaptation or natural resources management.
- Thorough knowledge of the institutional setting in Zimbabwe with a specific reference to CSA and climate change adaptation as well as familiarity with all the governmental and non-governmental actors and stakeholders involved in the policy dialogue on CSA and climate change adaptation at the national level.
- Thorough knowledge of the legislative and regulatory framework on agriculture and climate change as well as ongoing projects and initiatives focusing on CSA in Zimbabwe.
- Good knowledge of GIS systems with relevant spatial skills for mapping project areas.
- Excellent and proven presentation, facilitation and negotiation skills.
- Good knowledge of communication tools and technologies (internet, Microsoft office packages etc.).
- Fluency in oral and written English is essential.

Required Work Experience

At least six years of experience in the field of Climate Smart Agriculture or Agronomy with strong knowledge of climate change adaptation.

Mode and Duration of Contract

Renewable performance-based contract with an initial duration of one year.

Draft Terms of Reference: Chief Accountant

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Chief Accountant

Duty Station: Harare

Overall Scope of Work

Reporting directly to the National Project Coordinator with technical responsibility to Director of Finance MLAWRR, the Chief Accountant is a key member of staff in SACP responsible for the overall financial management aspects, implementing financial management policies and strategies in line with IFAD and Government of Zimbabwe requirements and international standards.

Main tasks and Responsibilities

- a) Overall responsibility of the financial management function in SACP
- b) Implementation and maintenance of the grant module of the PFMS ensuring that the chart of accounts and reporting system thereof provides information to link between project activities by category, component and funding source.
- c) Timely input of budget data into the accounting system and production of monthly and quarterly reports regarding aspects of project financial monitoring, bringing out variances and advising technical specialist as to the limits of expenditure.
- d) Prepare half-yearly consolidated statements of project accounts as an integral part of the Management Information System to be submitted to the Project Steering Committee, and subsequently to IFAD.
- e) Prepare financial statements in accordance with International Public Sector Accounting Standards (IPSAS) - Accrual basis with the prerequisite disclosures for non-cash items and liaise with external auditors to audit the SACP accounts to meet the required submission dates by IFAD.
- f) Oversee tax matters of the Project, ensuring that tax exemptions and tax refunds for the procurement of goods and services for the Project are secured at the appropriate time.
- g) Provide training and guidance to project beneficiaries and implementing partners for AWPB activity preparation, including gender sensitive budgeting and submissions and participate in the development and implementation of plans, and procedures for budget request submission activities to ensure that project objectives are achieved in accordance with prevailing government practices which are acceptable to IFAD.

- h) Calculate the cost of services and associated analyses and propose actions to be taken to improve cost-efficiency of services, without affecting quality.
- i) Process documentation and follow up on disbursements from the government and IFAD to ensure that releases are not delayed. Ensure that funds for project implementation are disbursed in a timely manner to enable project interventions to be carried out on time.
- j) Prepare and submit regular withdrawal applications to IFAD and follow up to ensure that the project does not run short of liquidity.
- k) Follow up on all project funds released to implementing entities and technical partners for timely retirement and proper utilization.
- l) Ensure that statements of expenditure (SOEs) are carefully checked for eligibility with relevant financial agreements.
- m) Maintain effective internal control environment for the project by ensuring that:
 - i. All SACP funds are used in accordance with the conditions of the financing agreements, with due attention to economy and efficiency, and only for the purposes for which the funds were provided;
 - ii. Counterpart funds have been provided and used in accordance with the conditions of the financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;
 - iii. Goods and services financed have been procured in accordance with the financing agreement and in accordance with government and IFAD's rules and procedures;
 - iv. All necessary supporting documents, records and accounts are kept in respect of all project activities, with clear linkages between the books of account and the financial statements presented to the financiers;
 - v. Designated accounts are maintained in accordance with the provisions of the financing agreement and in accordance with the financier's rules and procedures;
 - vi. Provide any support to the Procurement Unit to assist in procurement for the SACP in accordance with procedures laid down by Financing Agreements of IFAD and OFID.
- n) Ensure that fixed assets are well accounted for and annual verification is undertaken of the condition of assets and their location.
- o) Ensure the effective and efficient operation of administrative aspects of the SACP.
- p) Carry out any other activities that are assigned by the Project Coordinator.

Qualifications and Competences

- Bachelor's degree in business management or finance, and a professionally qualified accountant with Membership of the Zimbabwe Institute of Chartered Accountants.
- Strong managerial skills and demonstrated capacity to manage people and interact with a wide range of private sector partners and government representatives.
- Strong organisational skills. Versatility, ability to multi task and meet deadlines.
- Excellent organisational and analytical skills.
- Excellent computer skills and well-versed in the use of Excel, Word and accounting software.
- Good communication skills and ability to interact with a wide range of private sector partners and government representatives.

Required Work Experience

- At least eight years of relevant work experience, including at least four as a financial manager or accountant in government/donor projects or large institutions.
- Knowledge of work planning, budgeting and reporting.
- Preparing withdrawal applications for external funding agencies.
- Audit management experience in donor funded program.

Mode and Duration of Contract

Recruited for the total duration of the project, initial contract for 3 years (with possibility of extension based on performance)

Draft Terms of Reference: Financial Accountant

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Financial Accountant

Duty Station: Harare

Overall Scope of Work

Reporting to the Chief Accountant, the Financial Accountant supports the Chief Accountant to achieve result-oriented objectives of SACP financial management. Under the supervision of the Chief Accountant, the financial accountant will take responsibility for all accounts and finance transactions of the SACP and for maintaining all accounting documentation in good order.

Main tasks and Responsibilities

- a) Support in the preparation of Annual Work Plan and Budget (AWPB), including gender sensitive budgeting
- b) Analysing payment requests and reconciliation with approved documentation including purchase orders and contracts
- c) Posting payment invoices into financial management systems in line with approved work plans.
- d) Assist in preparation of half-yearly consolidated statements of project accounts as an integral part of the Management Information System to be submitted to the Project Oversight Committee, and subsequently to IFAD.
- e) Ensure that fixed assets are well accounted for and regular verification is undertaken of the condition of assets and their location.
- f) Ensure that supporting documents, records and accounts are kept in respect of all project activities, with clear linkages between the books of account and the financial statements presented to the financiers;
- g) Preparing bank reconciliations for the project accounts.
- h) Assisting in review of invoices and supporting documents before any payments are processed.
- i) Following up on outstanding advances both to staff and service providers.
- j) Assisting in ensuring budgetary controls to ensure that no payment is done unless there is sufficient budgetary provision.
- k) Ensuring systematic and accurate recording/filing of accounting records.
- l) Prepare the SOE's and the WA Application to IFAD for timely replenishment.
- m) Participating in the Audit exercises providing auditors will all information and documentation they require

- n) Follows up accountabilities of funds advanced at the level PMU and with other implementing partners.
- o) Ensure systematic and accurate recording/filing of accounts records.
- p) Ensure that salary and tax deductions are remitted in timely way and that all acknowledgement of receipt is documented.
- q) Withholding Tax is recovered from payments, remitted and Tax Certificates are issued to suppliers.
- r) Any other duties as may be assigned by the Chief Accountant.

Qualifications and Competences

- Bachelor's degree in business or finance, and an affiliate professional accountant.
- Advanced quantitative and analytical skills.
- Excellent computer skills and well-versed in the use of Excel, Word and accounting software.
- Good communication skills; Fluency in written and spoken English.

Required Work Experience

- At least four years of relevant work experience, including at least two years as a financial manager or accountant in government/donor projects or large institutions.
- Knowledge of work planning, budgeting and reporting.
- Preparing withdrawal applications for external funding agencies.
- Working with colleagues in geographically separate locations.

Mode and Duration of Contract

Seconded GoZ staff. The total duration of the contract is six years and is subject to satisfactory annual performance reviews.

Draft Terms of Reference: Senior Infrastructure Specialist

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Senior Infrastructure Specialist

Duty Station: NPMU

Overall Scope of Work

- Reporting to the National Project Coordinator, support Implementing Agencies in infrastructure project identification and development ranking.
- Support Implementing Agencies in preparing TORs for Feasibility Studies & Detailed Designs and other short-term consultancies.
- Conduct feasibility studies together with Implementing Agencies for selected projects, taking into account gender and social inclusion needs.
- Review feasibility studies and/detailed designs at every stage of the project cycle.
- Build the capacities of Implementing Agencies through Training of Trainers on planning, preparation of feasibility studies & detailed designs, contract management, supervision of services and works and operation and maintenance.
- Prepare training materials for use by beneficiaries and Implementing Agencies staff.
- Ensure, in collaboration with the respective technical experts, that national, IFAD and OFID environmental and social safeguards are adhered to during development of irrigation schemes.
- Follow up agreed action points of IFAD supervision mission.
- Support the NPMU in all technical matters.

Deliverables

- Guidelines for project identification & development ranking.
- TORs for feasibility studies and detailed designs.
- Feasibility study reports for all infrastructure.
- Site management handbook.
- Contract management handbook.
- Operation and maintenance manuals for all infrastructure developed under the project.

Qualification and Experience

The Senior Engineer should demonstrate the following qualifications and experience:

- A Master's Degree in Engineering or equivalent.
- At least fifteen years recent experience in rural infrastructure development and project implementation focusing on sustainability related aspects such as establishing/strengthening user groups, social aspects and value-chain linkages;
- Proficiency in spoken and written English.
- Excellent interpersonal skills and team spirit.
- Experience of projects involving multiple and diverse stakeholders including Government agencies, private sector, and end users.
- Registered with a recognized engineering professional board or institution.
- Computer literacy with proficient knowledge of Microsoft Office (Word, Excel, Power Point) and conversant with modern engineering design software like AUTOCAD, IRRICAD, GIS etc.

Contract

The duration of the contract will initially be for a period of 60 months.

Draft Terms of Reference: M&E and Planning Specialist

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund for International Development (OFID) and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NNPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: M&E and Planning Specialist at NPMU

Duty Station: Harare, with frequent travel to project area

Overall Scope of Work: Reporting to the Project Coordinator, the M&E and Planning Specialist will have overall responsibility for the coordination of the timely establishment, operation and maintenance of the project M&E system; for the generation of knowledge and evidence; and for the communication of project activities, achievements and lessons learned.

Main Tasks and Responsibilities

The specific tasks of the M&E and Planning Specialist will include:

i. Set up the M&E system for SACP:

- Revise the project logframe matrix and include gender sensitive indicators.
- Assist in developing the results oriented-AWPB.
- Develop the overall framework for the project M&E.
- Guide the process of reporting against the project key indicators.
- Prepare and M&E matrix.

ii. Set up an MIS system that entails:

- Development of formats (for data collection, analysis and interpretation) to track project inputs and its results: production, consumption, sales and income of the producers and traders/buyers at household, group and value chain/cluster level.
- Coordinate with other project staff, especially planning and M&E staff, to ensure MIS system is appropriately designed and implemented such that they enable data-rich knowledge management, captures and analyses disaggregated data on gender and social inclusion.
- Define requirements for use of software for a web-based online MIS and off-line tablet-based devices.

iii. Provide technical assistance to recruit, guide and supervise organisations or individuals contracted to implement surveys and studies required for evaluating project effects and impacts. E.g. Rolling baseline survey, Annual Cluster Tracking Survey, etc.

iv. Develop a capacity-building plan on M&E for the project staff at NPMU and provincial level and for business skills and Gender Action Learning System (GALS) mentors from Agritex on the cascade training approach:

- Development of training modules for different stakeholders and partners;
- Development of operation manuals/guidelines on M&E processes;
- Use of software for MIS and GIS required for the functioning of the MIS system;
- Train M&E staff at national and local levels (Training of Trainers); and
- Set up a cascade training mechanism for Extension Officers seconded fulltime to the project, Social Mobilizers and Business Skills Mentors and GALS Social Mentors.

v. Assist the Project Manager in consolidating gender sensitive project progress reports.

vi. Advise the Senior Management by identifying areas of concerns that might justify a review of the project M&E system and/or implementation arrangements, including adverse effects on target groups as a result of project implementation, and suggest remedial measures if necessary.

vii. Undertake regular field visits to follow-up recommendations made from previous supervision missions and support the project implementation in other ways as requested by the Project Coordinator.

Qualifications and Competences:

- Master's degree in Agriculture, Economics, Statistics, M&E, Development Studies, Rural Development, Planning or a related field
- Solid knowledge of participatory M&E approaches and techniques.
- Strong knowledge in the development of performance-based indicators.
- Demonstrated experience in the techniques of data collection, data entry, data analysis and design of management information systems to facilitate the planning and decision-making processes within the institution/s
- Working knowledge of written and spoken English
- Excellent analytical and report writing skills.
- Excellent spoken and written English.
- Strong knowledge of computer applications, particularly MS Excel, Word, Access and Powerpoint, STATA and other software packages for data analysis and technical reports.

Required Work Experience: At least 8 years of work experience with (a) M&E Design, (b) planning and implementation of the M&E systems, (c) data management and analysis, (e) capacity building and training in M&E development and implementation, (f) use of Geographic Information Systems technologies, and (g) knowledge management strategy development.

Mode and Duration of Contract: The contract will be three years, renewable based on performance.

Draft Terms of Reference: KM and Communications Specialist

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NNPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: KM and Communication Specialist

Duty Station: Harare

Overall Scope of Work: Reporting to the Project Coordinator, the KM and Communication Specialist will have overall responsibility for the knowledge management activities of SACP, in particular for the generation of evidence -based knowledge products and for the communication of project activities, achievements and lessons learned to stakeholders and the wider public.

Main tasks and Responsibilities

Specific tasks of the KM and Communication Specialist will include:

- a) Develop and coordinate project KM and Communication strategies and annual action plans to ensure systematic, continuous learning and knowledge sharing about the SACP activities and achievements.
- b) Design, at the project start-up, a SACP communication strategy, geared towards the target group and stakeholders, project implementers, and to a wider public, both within Zimbabwe and outside.
- c) Develop a functional approach for prioritising and implementing Knowledge Management activities and for developing and disseminating knowledge tools and products.
- d) Coordinate and coach the project staff at NPMU and regional hub level on KM and communications.
- e) Facilitate Knowledge Management and Communication Platform between the SACP and with other projects in the same field.
- f) Develop and implement processes to ensure that lessons learned, and good practice, including information of gender issues, are captured systematically, shared, and used to improve project implementation, including in the development of the AWPBs.
- g) Support advocacy efforts through providing evidence of impact gathered through the M&E system, closely linked to knowledge management and communication activities.

- h) Provide technical backstopping and guidance to implementing partner staff on KM&L.
- i) Develop or adapt an internet based and other relevant tools and processes for implementing staff to collect, process/analyse, store and share information and knowledge, and ensure relevant staff have the capacity to use them.
- j) Advise the senior management of SACP by identifying areas of concerns that might justify review of the KMC Strategy and/or implementation arrangements.
- k) Ensure that innovative experiences, learning and good practices are captured, synthesized, documented and shared continuously within the project and with in-country partners, IFAD and other regional and international partners, through a project website and other media.
- l) Coordinate the preparation of the work plans and budgets and progress reports for knowledge management and learning activities.
- m) Coordinate with graphic designers, subcontractors, researchers, other team members and partners and clients to establish workflows and timelines for production of KM and communications materials.
- n) Ensure timely implementation and monitor assigned activities against work plans.
- o) Assist the M&E and Planning Specialist in consolidating the project progress reports.
- p) Undertake regular field visits to follow-up recommendations made from previous missions and support the project implementation.

Qualifications and Competences

- Bachelor's Degree Media in Media Studies, Rural Development, Planning or a related field, with preference to candidates with a Master's degree preferred
- Ability to solve technical, managerial or operational problems and evaluate options based on relevant information, resources, well-rounded experience, and knowledge.
- Demonstrated ability to communicate clearly and concisely, both orally and in writing, and lead presentations, training courses, and effective meetings.
- Experience/knowledge of website and social media technologies and applications.
- Strong knowledge of MS Office applications.
- Ability to work both independently and as part of a team.
- Excellent writing and presentational skills.

Required Work Experience:

- 8 years working experience, with at least 3 years in KM in donor-assisted projects

Mode and Duration of Contract: The seconded contract for 3 years, renewable based on performance.

Draft Terms of Reference: Senior Social Inclusion Specialist

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include proactive co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Senior Social Inclusion Specialist

Duty Station: Harare

Overall Scope of Work: The Senior Social Inclusion Specialist will be based at the National PMU and will report to the National Project Coordinator. The responsibility of the Senior Social Inclusion officer is to support gender mainstreaming social inclusion activities for the SACP. She/he is expected to provide strategic and analytical inputs intended to guide integration of socio-economic, targeting, youth and gender issues in any project activity focusing on targeting and social inclusion, participatory performance assessments and capacity building and mentoring.

Main tasks and Responsibilities

- Provide strategic and day-to-day guidance to projects to integrate gender issues, social inclusion and Participatory Performance Assessments cross-cutting themes throughout the project cycle.
- Develop and implement a capacity strengthening programme for IPs on gender, PPA and social inclusion, and gender transformative and integrated approaches.
- Provide training on GALs in order to promote gender transformation in SACP
- Work in close coordination with and support technical staff in the NPMU and PPIUs to ensure that targeting strategy is implemented in line with project requirements and also responds to emerging needs.
- Ensure that all surveys, policy dialogues and studies include a focus on gender and youth across relevant socioeconomic strata.
- Conduct gender analysis studies and develop plans of action that identifies opportunities and entry points for mainstreaming gender into the project.
- Ensure that the plan of action for gender mainstreaming mirrors the project's log frame and include the development of gender specific project components, gender responsive targets, indicators and timelines.
- Lead the implementation of gender and social inclusion AWPB activities and ensure targets are met within stipulated time frames.
- Support monitoring and evaluation efforts to gather disaggregated data for beneficiaries of different socio-economic groups, gender and ensure that data summaries are used to inform project strategies.

- Ensure that project level AWPBs reflect the relevant Project's targeting and social inclusion strategy.
- Review all MOUs/Contracts/TORs to ensure that issues related to gender, youth and targeting are adequately integrated, including indicators and information, informed by relevant project's Log frame and project design document.
- Lead documentation of lessons learnt, success stories on social inclusion and gender mainstreaming and exchange of knowledge on an on-going basis.
- Foster and build relationships with partners and networks and other government entities that promote gender equality and empowerment and mainstream their work in project targeted beneficiaries.
- Support the Project Management Unit during Implementation Support Missions
- Perform other related duties as may be requested by the Project Coordinator.

Qualifications and Competences

- Advanced degree in Rural Sociology, Gender Studies, Rural Development, Agricultural Economics or other Social Sciences with a focus on gender or social inclusion.
- Strong familiarity with agriculture, food systems, food security and rural development and their relationship with gender equality, women's empowerment and youth of different socioeconomic categories.
- Experience in organizing and facilitating community-based training and learning exchanges together with linking practical field learning and policy analysis/development.
- Sensitivity to cultural, ethnic and gender differences.
- Demonstrated experience in managing/effectively working with multidisciplinary teams, governments and international development partners.
- Proficiency in written and spoken English and conversant with local languages is an added advantage.

Required Work Experience

- At least 10 years of relevant professional experience in gender mainstreaming and promotion of gender equality, women's empowerment and working with youth in rural development interventions.
- Experience in working with Gender Action Learning Systems (GALS)

Mode and Duration of Contract: The duration of the position is for the duration of the project, based on performance.

Draft Terms of Reference: Procurement Officer

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Procurement Officer

Duty Station: Harare

Overall Scope of Work

Under the general supervision of the Project Coordinator, the NPMU Procurement Officer will support the day-to-day project procurement activities as agreed with IFAD for SACP. Additionally, S/he will be responsible of supervision of the execution of work by the Junior Procurement Officers in the Provincial PIUs of the project.

Main tasks and Responsibilities

- S/he will take full responsibility on the procurement activities of the project, conducting, overseeing, and supporting the project procurement in accordance with IFAD procurement procedures and the Project Implementation Manual;
- S/he will be responsible for preparing and updating the project procurement plans in line with the Annual Work and Budget Plan (AWBP);
- S/he will prepare the solicitation documents for all SACP purchases in line with the Procurement Plan and the AWBP for goods, service and works using standard documentation agreed with IFAD;
- S/he will assist and advise the evaluation committee members in matters related to evaluation of tenders and recommendation for the selection and award;
- S/he will liaise with the various project stakeholders' and provide input in preparing various Project Management Reports (PMR) to be submitted to IFAD;
- S/he will provide support and guidance to the Junior Procurement Officers in the Provincial Districts to ensure compliance with IFAD procedures;
- S/he will review cases and all support documents received from Provincial District and advise accordingly;
- Monitor contractors' performance (goods, works and services) and ensures timely delivery and quality of services, expedites delivery as appropriate;
- Act as a point of reference for all SACP procurement related matters.

Qualifications and Competences

Advanced university degree in procurement, financial management, supply chain management, business administration or related field.

A professional qualification from a recognized institution such as CIPS Professional certification (minimum level 3) or equivalent in Procurement and or supply chain operations will be considered an asset.

Excellent knowledge and understanding of public procurement and contract management. Excellent experience in the usage of computers and office software packages (MS Word, Excel, etc.). Good data analysis skills. Good organizational skills. Excellent interpersonal communication skills and relationship builder. Fluency in written and oral English is a requirement.

Required Work Experience

5 years of experience in procurement or supply chain management.

Familiarity with a donor-funded project, such as UN system, World Bank or AfDB will be considered an asset.

Mode and Duration of Contract

Recruited for the total duration of the project, initial contract for 3 years (with possibility of extension based on performance)

Draft Terms of Reference: Procurement Assistant/Clerk

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Procurement Assistant

Duty Station: Harare

Overall Scope of Work

Under the general supervision of the Procurement Officer at NPMU, the Procurement Assistant will assist in the day-to-day project procurement activities and support the Procurement Unit in conducting procurement-related operations of SACP.

Main tasks and Responsibilities

- Assist the Procurement Officer in preparing solicitation documents for the various project procurement activities both at the NPMU and Provincial/District levels;
- Assist through coordination and support the procurement evaluation teams as necessary;
- Organize and maintain computerized records for procurement and contracts both online and paper-based;
- Provide operational support and capacity development to the various project staff;
- Maintain and update the project contract register;
- Carry out any other procurement-related duties as requested by the Procurement Officer.

Qualifications and Competences

Minimum Diploma degree in procurement, supply chain management, business administration or related field.

A professional qualification from a recognized institution such as CIPS Professional certification or equivalent in Procurement and or supply chain will be considered an asset.

Fluency in written and oral English.

Required Work Experience

- 2 years of experience of relevant administrative positions
- Excellent experience in the usage of computers and office software packages (MS Word, Excel, etc.).

Mode and Duration of Contract

A seconded contract for three years.

Draft Terms of Reference: Provincial PIU: Senior VC and Agribusiness Specialist/Provincial Coordinator

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include proactive co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Provincial Project Coordinator / Senior VC and Agribusiness Specialist

Duty Station: Four Province Project Implementation Units

Overall Scope of Work

The Provincial Project Coordinator (PPC) will head the Provincial Project Implementation Unit (PPIU) and as such will have overall responsibility for coordination and implementation of SACP with the objective to achieve an increased smallholder participation in market-oriented and climate-smart value chains in her/his respective province.

The PPC assures that the SACP is implemented along the guidelines provided by the Financing Agreement, project design report, the PIM and following the guidance given by the National Project Coordinator, the lead ministry MLAWRR, the SACP Steering Committee and supervision missions.

As a Senior VC and Agribusiness Specialist, the PPC will directly manage the identification and development of enterprise-led smallholder-inclusive value chains in the province and its SACP target districts. The SACP target per province, over project life, is to provide TA and matching grants to 50 microenterprises and 200 Agriculture Producer Groups. The NPMU will furthermore engage 40 Lead Enterprises to the value chain investments and upgrading, which will be coordinated by the PPC at province level. Also access to financial services is promoted.

Main tasks and Responsibilities

As Province Project Coordinator

- Direct the SACP PPIU staff and provide oversight to all SACP-hired service providers and consultants operating in the province, ensuring that all carry out their agreed duties professionally and efficiently ensuring the achievement of the SACP objectives;
- Ensure efficient coordination within the PPIU and seek synergies with other agriculture and economic development projects implemented in the same province;

- Ensure strong sense of teamwork within the PPIU and provide technical backstopping and coordination of this team;
- Lead and support the district network of extensionists that are engaged to implement SACP;
- Ensure an optimum use of SACP provincial resources in achievement of the agreed objectives of the project;
- At provincial level, expedite and coordinate the timely Annual Work Plan and Budget (AWPB) process at all levels, and ensure that these are developed in a fully participatory manner involving men and women, learning from previous years;
- Lead the provincial inputs to annual AWPBs and to the Annual Progress Reports;
- At provincial level, direct project implementation in accordance to agreed plans and to report on progress and outcomes in a methodological manner, including technical reports and financial reporting;
- Oversee at province level that the project adheres to social, environmental and climate-related safeguards and contributes to gender equity, women's empowerment;
- Oversee at province level the full functioning of the project's Monitoring and Evaluation System and make use of the system as a management tool;
- Ensure proper financial management at province level, including proper planning and comprehensive reporting on expenditures and expenditure forecasts;
- Ensure efficient procurement in line with the Procurement Plans;
- Meet and liaise with relevant provincial authorities, district authorities, other agriculture/business development projects in the province, the private sector, and other donors working in agriculture to ensure synergies are created and resources are leveraged for a coherent provincial economic development;
- Attend relevant meetings, technical working groups, conferences, etc. to share knowledge, coordinate programs, and promote SACP's work;

As Senior Value Chain and Agribusiness Specialist:

- Lead SACP's Value Chain and Agribusiness development efforts in the province;
- Coordinate the provincial implementation of the BDS services to Microenterprises and Agricultural Producer Groups, following the detailed guidance in the Project Implementation Manual;
- Lead the provinces delivery of Matching Grants to Microenterprises and to Agricultural Producer Groups, following the detailed guidance in the Project Implementation Manual;
- Ensure all APG/ME/LE Technical Assistance and Financial Support are appropriately planned for, prepared and implemented, following the guidance in the PDR and the PIM;
- Support and coordinate the work by District level SACP extensionists;
- Coordinate and supervise the activities by BDS service providers in the province;
- Facilitate market driven linkages between agribusiness producers, wholesalers, processors, and markets within the project areas;
- Provide capacity building and mentoring to SACP staff in the province and its districts;

Qualifications and Competences

A Master's degree in Agribusiness, Agricultural Economics, Management, or other relevant discipline related to Agricultural Development.

Required Work Experience

- 10-years' experience in rural development in Zimbabwe, including managerial experience;
- Experience in project administration, financial management and reporting, preferably using systems of international institutions;
- An existing network of relations pertaining to community planning, smallholder agriculture; value chains and financial inclusion;
- Experience in collaborating across government ministries and in public-private dialogue;
- Strong leaderships skills, including the ability to delegate responsibility within the team and to implementing partners.

Mode and Duration of Contract

Recruited, 3 years (with possibility of extension)

Draft Terms of Reference: Provincial PIU: CSA Specialist

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: CSA Specialist

Duty Station: PPIUs in the four SACP Provinces

Overall Scope of Work

The CSA Specialist will lead the work on climate change adaptation related activities at Provincial level to contribute to CSA and Productivity Skills Enhancement under Sub-component 1.2. The specialist will also support institutional coordination and local level capacity building in CSA and productivity skills at provincial level. S/he will work in close collaboration with the other members of the PPIU and supervise the CSA Service Provider that will support the implementation of the CSA and productivity enhancement activities in each Province of SACP.

Main tasks and Responsibilities

The CSA Specialist will be responsible for providing technical expertise in the three objectives of CSA: (a) sustainably increasing agricultural productivity, (b) building climate change resilience and (c) reducing green house gas emissions within the context of SACP in each Province. More specifically, the CSA Specialist will perform the following tasks:

- p) Provide technical inputs and guidance in the implementation of the sustainable agriculture production and climate change adaptation activities under SACP;
- q) Provide technical guidance to ensure the minimisation of green house gas emissions resulting from SACP activities;
- r) Identify indicators for reporting on the CSA activities and ensure the inclusion of these indicators in the M&E system with disaggregated data on gender and social inclusion;
- s) Participate in the screening of Business Plans for the APGs and provide guidance on CSA options and technologies;

- t) Undertake the technical review of CSA case studies, maps and technical papers being produced under SACP in the particular Province;
- u) Provide training to fill the knowledge and capacity gaps of the various project stakeholders including service providers and the PPIU in the understanding, planning and implementation of CSA measures;
- v) Provide strategic orientation in planning, implementation and monitoring stages through periodic field visits to project intervention areas;
- w) Liaise with Environmental Management Agency Provincial officials to coordinate the development and implementation of environmental and social management plans for the agricultural productivity activities as required by the Environmental Management Act;
- x) Contribute to the preparation of the AWPB;
- y) Contribute to reporting structures as laid out in the SACP documentation; and
- z) Undertake any other duties (related to SACP activities) as may be assigned by the Senior CSA Specialist or Project Coordinator.

Qualifications and Competences

- A Master's degree in agronomy, climate change adaptation or environment and natural resources management.
- Thorough knowledge of the institutional setting in Zimbabwe with a specific reference to CSA and climate change adaptation as well as familiarity with all the governmental and non-governmental actors and stakeholders involved in the policy dialogue on CSA and climate change adaptation at the national level.
- Thorough knowledge of the legislative and regulatory framework on agriculture and climate change as well as ongoing projects and initiatives focusing on CSA in Zimbabwe.
- Good knowledge of GIS systems with relevant spatial skills for mapping project areas.
- Excellent and proven presentation, facilitation and negotiation skills.
- Good knowledge of communication tools and technologies (internet, Microsoft office packages etc.).
- Fluency in oral and written English is essential.

Required Work Experience

At least four years of experience in the field of Climate Smart Agriculture or Agronomy with strong knowledge of climate change adaptation.

Mode and Duration of Contract

Seconded, renewable performance-based contract with an initial duration of one year.

Draft Terms of Reference: Provincial PIU: Infrastructure Officer

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Provincial Infrastructure Officer

Duty Station: Provincial PMUs (4)

Key tasks

- Supporting Implementing Agencies in gender sensitive infrastructure project identification and development ranking at Province level.
- Conducting feasibility studies together with Implementing Agencies for selected projects, taking into account the needs of men and women..
- Reviewing feasibility studies and/detailed designs at every stage of the project cycle, before submission to the NPMU.
- Building the capacities of the Implementing Agencies through Training of Trainers on planning, preparation of feasibility studies and detailed designs, contract management, supervision of services and works, and operation and maintenance.
- Preparing training materials for use by beneficiaries and Implementing Agencies staff.
- Ensuring, in collaboration with the respective technical experts, that national, IFAD and OFID environmental and social safeguards are adhered to during development of irrigation schemes.
- Supporting the provincial PMU in all technical matters.

Deliverables

- Guidelines for project identification & development ranking.
- TORs for feasibility studies and detailed designs.
- Feasibility study reports for all infrastructure.
- Timely and effective construction supervision implemented.
- Timely and convenient contract management implemented.
- Operation and maintenance manuals for all infrastructure developed under the project, in the province.

Qualification and Experience

The Provincial Project Engineer should demonstrate the following qualifications and experience:

- A Master's Degree in Engineering or equivalent.
- At least five years recent experience in rural infrastructure development and project implementation focusing on sustainability related aspects such as establishing/strengthening user groups, social aspects and value-chain linkages.
- Proficiency in spoken and written English.
- Excellent interpersonal skills and team spirit.
- Experience of projects involving multiple and diverse stakeholders including the Government agencies, private sector, and end users.
- Registration with a recognized engineering professional board or institution. and
- Computer literacy with proficient knowledge of Microsoft Office (Word, Excel, Power Point) and conversant with modern engineering design software like AUTOCAD, IRRICAD, GIS etc.

Duration

The duration of the contract will initially be for a period of 60 months.

Draft Terms of Reference: Provincial PIU: M&E and Planning Officer

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: M&E and Planning Officer

Duty Station: Provincial Implementation Units in Mashonaland East, West, Central and Matebeleland North

Overall Scope of Work: The M&E and Planning Officers will be based in SACP Provincial Implementation Units and work under the supervision of the provincial PIU Agricultural Value Chain and Agribusiness Specialist, who is the head of the provincial implementation unit. The M&E officer will also work closely with the M&E and Planning Specialist in the National PMU. S/he will take responsibility for data collection, database management and assist with provincial data collection and entry into MIS. The M&E Officer will perform data and reporting support functions and will overall be in charge of ensuring the project databases in the province are regularly updated.

Main tasks and Responsibilities

The Monitoring & Evaluation Officer's duties and responsibilities include the following:

- Populate and maintain the project databases and MIS, ensuring disaggregation by sex and age
- Support Business Skills Mentors and GALS Mentors in data entry into MIS on tablets
- Carry out data collection activities in a sex and age disaggregated manner
- Produce summaries of the data entered to inform management
- Produce project maps
- Support other Provincial staff and implementing partners in ensuring completeness of their routine reports
- Provide technical backstopping to in preparation of activity-based annual work plans and budgets to ensure compliance with the project's implementation approach.

Qualifications and Competences

- Bachelor's degree in Economics, Statistics, Agricultural Economics, Development Economics, Business Administration, Social Sciences or a related field
- Post graduate Diploma/Training in M&E is an added advantage
- Post graduate training in Statistics is an added advantage

- Training and/ or demonstrated evidence in the use of Geo-spatial technologies (GIS)
- Good reporting and report writing skills
- Good knowledge of computer applications (particularly MS Excel, Word, Access and Powerpoint, STATA)
- Working knowledge of written and spoken English.

Required Work Experience

- At least 2 years' experience in data collection, data entry and data analysis, preferably at least partly in a development project.

Mode and Duration of Contract: The duration of the position is for the duration of the project, based on performance.

Draft Terms of Reference: Provincial PIU: Social Inclusion and Nutrition Officer

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Social Inclusion and Nutrition Officer

Duty Station: Provincial Project Implementation Units

Overall Scope of Work: The Social Inclusion and Nutrition Officer will report to the NPMU Senior Social Inclusion Specialist and the Programme Coordinator and be responsible for the successful poverty, social, gender, youth and nutrition targeting in the project area covered by his/her province.

Main tasks and Responsibilities: The Social Inclusion and Nutrition Officer will be responsible for the following tasks:

- Develop and supervise the implementation of the multi-pronged gender targeting strategy to ensure effectiveness and foster social inclusion, gender equality and effective poverty targeting.
- Develop and supervise the implementation of a forward-looking and transformative gender strategy, detailing specific gender actions the project that will undertake to promote gender equality and women's empowerment, and engaging with men and local leaders.
- Contribute to the development of a nutrition mainstreaming strategy including information, education and communication (IEC) materials and coordinate effective roll-out and monitoring.
- Provide technical expertise and facilitate development of a plan to promote consumption of diverse foods.
- Ensure nutrition is adequately integrated in project activities and documents, including Annual Work Plan and Budget, progress reports and M&E system.
- Assess the effectiveness of the nutrition education activities by visiting households and interacting with households and farmer groups.
- Ensure that nutrition indicators (particularly KAP) are tracked, data adequately collected and reported on regular bases, in close liaison with the M&E officer.

- Establish and maintain working relationships with local government bodies (Provincial Food & Nutrition Committees) to support implementation of the activities and technical assistance and establish local partnerships on nutrition (SUN, UN agencies, etc.).
- Carry out community-wide gender and nutrition sensitisation using the Gender Action Learning Systems (GALS).
- Adapt the SIRP GALS manual and provide training to GALS mentors.
- Furnish the GALS Mentors with tablets to monitor gender equality, nutrition-sensitive interventions and women's empowerment.
- Design instruments for the collection of gender-disaggregated data; that would provide baseline and monitoring data on gender differences in the participation in, and benefits from, project activities, performance towards the project strategic objectives on women's economic empowerment, community empowerment and participatory processes.
- Coordinate the design of the pro-WEAI and nutrition baseline survey to be carried out by a hired consultant.
- Develop tailored nutrition education training materials and coordinate capacity building and training sessions aimed at project staff, implementers and extension workers (AGRITEX) on nutrition education.
- Develop a training roll-out strategy for use by AGRITEX extension staff for further provision of nutrition education to SACP beneficiaries.
- Develop a practical field manual for facilitating (large) group discussions and participatory problem analysis/Participatory Rural Appraisal.
- Design gender, nutrition, youth and socio-economic specific studies to be conducted during the project cycle to gather in-depth qualitative and/or quantitative data, and disseminate lessons learnt/ stories/reports at project level, and in knowledge sharing events, on what works for targeting, gender mainstreaming, youth inclusion and nutrition mainstreaming in SACP.
- Design and conduct a training project for AGRITEX in the procedures mentioned above.
- Systematically capture, document and disseminate lessons learnt, success stories and innovations for informing implementation, policy engagement and upscaling.
- Organise exposure/exchange visits and workshops for lesson learning and collaboration.

Qualifications and Competences

- Master's or Bachelor's degree in Sociology, Gender Studies, Development Studies, Social Sciences or a related field.
- Proven experience in developing strategies for effective gender and nutrition mainstreaming (with the production of training manuals).
- Good knowledge of community health/nutrition education and knowledge of global nutrition frameworks, food and nutrition security stakeholder networks and multi-sectoral platforms at country, regional and global levels.
- Working knowledge of land and water management, nutrition-sensitive agriculture, FFS, Community development, agriculture and value chain development.
- Excellent oral & written presentation skills, with very good command of English.
- Creative, innovative system thinker, with ability to catalyse change.

Required Work Experience

- Five or more years of relevant professional experience.
- At least 2 years' experience in working on nutrition, and GALS.

Mode and Duration of Contract: Three-year seconded contract, renewable based on performance.

Draft Terms of Reference: Provincial PIU: Junior Procurement Officer

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Position: Junior Procurement Officer

Duty Station: Provincial PIU

Overall Scope of Work

Junior Procurement Officer supports the Procurement Officer and Procurement Assistant in the conduct of any procurement activities under the Provincial PIU, in which she/he is stationed.

Main tasks and Responsibilities

- Provide administrative support to the National Procurement Officer in preparing various solicitation documents and in collecting and reviewing materials related to procurement operations in his/ her respective operational area in the PPIU.
- Assist in the development, publication and management of solicitation documents, clarification of bidder's enquiries, and receipt and evaluation of offers.
- Carry out administrative tasks related to maintaining the procurement documents and files launched for his/ her respective area.

Qualifications and Competences

Bachelor's or other similar degree in procurement, supply chain management, business administration or related field.

A professional qualification from a recognized institution such as CIPS Professional certification or equivalent in Procurement and or supply chain will be considered an asset.

Fluency in written and oral English.

Required Work Experience: 2 to 4 years of work experience in procurement, or supply chain management.

Mode and Duration of Contract: A seconded contract is for the duration of the Project, based on performance.

Draft Terms of Reference: BDS Service Providers

Draft ToR: Business Development Service (BDS) Provider

Background

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Purpose and Objectives of the Assignment

The purpose of this consultancy is to develop and implement an action plan for the Business Development Services of SACP, jointly with the project implementing teams at the provinces and districts covered by SACP. This activity will support the smallholder agriculture transformation strategy of the project and help the Agricultural production Groups (APGs) and Microenterprises (ME) to successfully prepare business plans and implement them with SACP's Matching Grant support. The BDS Provider will be an institution with experience and professional capacity in Agribusiness Development and Finance.

The SACP target over project life is to provide TA and matching grants to 200 microenterprises and 800 Agriculture Producer Groups. The BDS Provider (or providers covering 1-2 provinces each) will transfer Business Planning Skills first to SACP project implementation teams at province and district levels. Thereafter, jointly with the SACP teams, the BDS provider will train and coach the SACP's targeted value chain stakeholder APGs and MEs, following the SACP Matching Grant (MG) criteria and templates. During this process the APGs and MEs will complete their own business plans, so they are able to apply for MGs and implement them efficiently. Also access to financial services is promoted by the SACP, and the consultancy will ensure that Business Planning templates are in accordance with those of the Financial Institutions' requirements in the Rural Finance sector of Zimbabwe.

Specific Tasks

Key tasks of the assignment include:

- a) Review the Project Design Report (PDR) and Project Implementation Manual (PIM) to understand the SACP's overall approach and the role that the BDS plays in the project. Based on the information in the PDR and PIM, discuss and agree with the SACP senior staff the appropriate approach and contents of the planned BDS programme, the best delivery methods and the timing of this capacity building input, to ensure full harmony with the other activities of the project and the participation of men and women.

- b) **Preparation.** Design, based on the Service Provider's already developed service packages, the structure and contents of the BDS support programme targeting the APGs and their members as well as the MEs supported by SACP. This programme would include both basic (for most APGs) and more advanced (for better performing APGs and for the Microenterprises) Business Planning modules, covering among other the subjects:
- General introduction on the importance of production/business plan,
 - Project farmer grant opportunity through SACP, and requirements
 - Business Plan suitability for access to bank finance
 - Business model selection and description
 - Production improvement and volume planning
 - Costs and benefits
 - Marketing and sales
 - Efficient purchase of input materials, investment items and their transport
 - Production Plan
 - Business Plan
 - Procurement Plan.
- c) **TOTs.** Based on the modules, conduct a Training of Trainers workshop(s) for the province and district SACP teams.
- d) **ME BDS.** Based on the modules, implement the BDS workshops with all Microenterprises. The BDS service provider leads technically the implementation of these workshops, with assistance, facilitation and support by SACP province and district teams.
- e) **APG BDS.** Based on the modules, co-implement with the SACP province and district teams in the APG BDS workshops. The BDS service provider will lead minimum 2 days for each APG workshop, and provides backstopping for the overall process.

As result of both ME and APG BDS workshops, as criteria for successful workshop closing, at least 80 per cent of participants will have appropriate business plans for matching grant application.

Consultant's qualifications and experience

- The Service Provider will provide consultants to carry out the assignment mainly from its own its own staff specialised in smallholder and microenterprise business planning.
- The Service Provide is expected to have at least 15 years of experience in agribusiness, smallholder and commercial value chain development and finance.
- The service provider is expected to have already developed BDS training modules that will fit or can be modified to be used in SACP BDS service.

Implementation Arrangements

The consultancy will be carried out by the selected Service Provider with experience of operations with the smallholder community in the SACP project area. The Service Provider will provide qualified staff for the operations, potentially using different implementation teams in different provinces. The final operational approach and the delivery timeline will be developed following the selection of the value chains for the SACP support.

Duration of the Assignment

The duration of the Service Provider's contract is planned for the first four years of the project implementation.

Draft Terms of Reference: CSA Service Providers

Background: The Project

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture and Rural Resettlement (MLARR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chains.

Position: CSA Service Provider

Duty Station: The four SACP provinces

Overall Scope of Work

The CSA Service Provider will support the implementation of the activities for CSA and Productivity Skills Enhancement under Sub-component 1.2. The Service Provider will work under the supervision of the CSA Specialist and undertake the capacity building in CSA and productivity skills for the APGs and MSMEs in each Province of SACP.

Main tasks and Responsibilities

The CSA Service Provider will be responsible for providing technical expertise and building APG capacity in the three objectives of CSA: (a) sustainably increasing agricultural productivity, (b) building climate change resilience and (c) reducing green house gas emissions within the context of SACP in each Province. More specifically, the CSA Service Provider will perform the following tasks:

- aa) Provide technical inputs and guidance in the implementation of the sustainable agriculture production and climate change adaptation activities based on the APG and MSME business and investment plans;
- bb) Provide technical guidance to ensure the minimisation of green house gas emissions resulting from the APG business and investment plans;
- cc) Collect the relevant data based on the identified gender sensitive indicators for reporting on the CSA activities and contributing to the SACP M&E system;
- dd) Develop CSA case studies and maps to capture the benefits of CSA and agricultural productivity in each SACP Province;
- ee) Provide training to fill the knowledge and capacity gaps of the APGs and MSMEs in the understanding, planning and implementation of CSA measures;

ff) Support the implementation of environmental and social management plans for the agricultural productivity activities as required by the Environmental Management Act; and

gg) Provide monthly and quarterly reports to feed into the SACP reporting structures.

Qualifications and Competences

- A team leader with a Master's degree in agronomy or climate change adaptation or natural resources management. Team members with relevant experience in agriculture, CSA technologies, and community mobilisation and capacity development.
- A team leader with thorough knowledge of the institutional setting in Zimbabwe with a specific reference to CSA and climate change adaptation as well as familiarity with all the governmental and non-governmental actors and stakeholders involved in the policy dialogue on CSA and climate change adaptation at the national level.
- A team leader with thorough knowledge of the legislative and regulatory framework on agriculture and climate change as well as ongoing projects and initiatives focusing on CSA in Zimbabwe.
- At least one team member with good knowledge of GIS systems with relevant spatial skills for mapping project areas.
- A team leader with excellent and proven presentation, facilitation and negotiation skills.
- A team leader with good knowledge of communication tools and technologies (internet, Microsoft office packages etc.).
- Fluency in oral and written English is essential.

Required Work Experience

A team leader with at least six years of experience in the field of Climate Smart Agriculture or Agronomy with strong knowledge of climate change adaptation.

Mode and Duration of Contract

Renewable performance-based contract with an initial duration of one year.

Draft Terms of Reference: Financial Literacy Service Provider

Background

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Purpose and Objectives of the Assignment

The purpose of this consultancy is to develop a strategy and action plan for the financial service literacy support of SACP and implement the action plan with the key beneficiaries of the project in the districts covered by SACP. This activity will support the smallholder agriculture transformation strategy of the project and help the Agricultural production Groups (APGs) and Micro, Small and Medium Enterprises (MSME) to successfully implement their SACP-supported projects. The Financial Literacy Service Provider will be a financial institution that will carry out its SACP-financed financial literacy operations as a part of its overall strategy for the provision of banking services in rural areas.

Specific Tasks

Key tasks of the assignment include:

- f) Review the Project Design Report (PDR) and Project Implementation Manual (PIM) to understand the SACP's overall approach and the role that the financial literacy support plays in the project strategy.
- g) Based on the information in the PDR and PIM, discuss with the SCP senior staff about the appropriate approach and contents of the planned financial literacy support, the best delivery methods and the timing of this capacity building input, to ensure full harmony with the other APG and MSME support actions of the project.
- h) Design, as much as possible based on the Service Provider's already developed service packages, the structure and contents of the financial literacy support project targeting the APGs and their members as well as the MSMEs supported by SACP. This programme would include both basic and more advanced financial literacy modules, covering among other subjects:
 - the benefits of opening a bank account for a farmer, group and an MSME
 - benefits of business planning and record keeping in a household or an MSME
 - the basics of the "Saving for a Purpose" approach
 - available rural lending products for rural producers and MSMEs, including both working capital loans and investment loans and their terms and collateral requirements
 - group saving and lending practices

- money transfer transactions and payment services
 - modes and benefits of mobile and digital banking in rural areas.
- i) Implement the agreed financial literacy support programme in the field with the APGs and MSMEs based on time schedules agreed with SACP, following the overall timeline developed for the SACP value chain support activities.
 - j) Review continuously the progress and results achieved with the financial literacy support and develop the modules and their delivery methods accordingly.
 - k) Through the contacts created with the APGs, their members and the MSMEs through the capacity building operations, aim at increasing their financial linkages and inclusion in a sustainable way as saving and borrowing clients either with the Service Provider itself or with other financial institutions operating in the SACP area.

Consultant's qualifications and experience

- The Service Provider, a financial institution, will provide consultants to carry out the assignment mainly from its own staff specialised in operations with smallholders and MSMEs.
- The Service Provider is expected to have years of relevant professional experience in working with the SACP target group.
- The service provider is expected to have already developed rural finance training modules that will fit or can be modified to be used in SACP financial literacy training.

Implementation Arrangements

The consultancy will be carried out by a Zimbabwean financial institution with operations with the smallholder community in the SACP project area. The Service Provider will provide qualified staff for the operations, potentially using different implementation teams in different provinces. The final operational approach and the delivery timeline will be developed following the selection of the value chains for the SACP support.

Duration of the Assignment

The duration of the Service Provider's contract is planned for the first four years of the project implementation.

Draft Terms of Reference: Gender, Youth, Nutrition Service Provider

Background

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund and the Government of Zimbabwe. SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination. SACP is in the process of recruiting officers and service providers for its National Project Management Unit (NPMU) in Harare and in the four Provincial Project Implementation Units (PPIU) in the field, to manage and coordinate SACP project activities. While the lead agency of the project is Ministry of Lands, Agriculture, Water Climate and Rural Resettlement (MLAWRR), all SACP activities include pro-active co-operations with the private sector, including the farming community, small and medium enterprises and larger processing and marketing companies in key agricultural value chain.

Purpose and Objectives of the Assignment

The purpose of this consultancy (firm or local NGO) is to come up with targeting, gender, nutrition and social inclusion strategy and action plan that will guide gender, nutrition targeting and youth mainstreaming in the SACP. In addition, the Service Provider will train Agritex and the Social Inclusion and Nutrition Officer of SACP. The Service Provider will also be responsible to carry out independent targeting to ensure that the project interventions reach the SACP target group.

Specific Tasks

Key tasks of the assignment include:

- l) Review the Project Design Report (PDR) and Project Implementation Manual (PIM) to understand the content of targeting and gender, youth and inclusion strategies in terms of the profile of target group, targeting strategy and operational measures, analysis of gender issues thematic areas, and human and financial resources for supporting the implementation of analysis.
- m) Based on the information in the PDR and PIM, identify gaps for additional information required to develop full targeting, gender and youth inclusion strategies. Gather more information to gain a better understanding of the poverty, youth, nutrition and gender dimensions of the project, through reviewing additional documentation (PRAs, Feasibility, reports, etc.) and/or by conducting socioeconomic assessments in the field.
- n) Develop a draft targeting, gender, nutrition and strategy and action plan for SACP. The strategy should define the target group, the objectives for reaching the target group, any lessons learned so far, principles for identifying and reaching the target group (such as poverty and food insecure and marginalised groups, women and women headed households, youth participation and partnerships etc) as well as mechanisms for reaching the target group for the different activities. The strategy should be clear on how the project plans to support the different target groups within the framework of SACP.

- o) Discuss the draft strategy with gender specialists, key implementing partners and service providers to strengthen the relevance of the strategies to overall implementation of the project and to ensure buy-in. This will help establish realistic action plans, identify any training needs and secure the allocation of necessary resources.
- p) Incorporate the comments from the discussions/workshop and finalise the strategy and action plan.
- q) Carry out community mobilisation workshops with Agritex and train community mentors who will be provided with tablets for monitoring gender, youth nutrition and targeting in the project.
- r) Document lessons learnt and success stories.

Methodology

The consultant shall propose his/her methodology to achieve objectives of the assignment. This methodology should include the following

- Desk review of key project documents and other relevant documents
- Interviews with key government implementing agencies
- Questionnaire on socioeconomic analysis
- One day stakeholder workshop.

Deliverables and timeframes

- i. Inception report: to be submitted to PIU within 7 working days after the signing of the contract. The Inception report should detail understanding/interpretation of the TORs, the methodology of carrying out the assignment and detailed work plan
- ii. Gap analysis report based on review of PDR and PIM
- iii. Socioeconomic analysis report
- iv. Draft Targeting, Nutrition, Gender and Youth Strategy and Action Plan within the framework of SACP
- v. Stakeholder workshop report
- vi. Final **Targeting, Gender, Nutrition and Youth Strategy for SACP** with the following content:
 - Context
 - Rationale
 - Targeting strategy
 - Rationale for gender, youth and nutrition mainstreaming
 - Targeting, gender, nutrition, youth inclusion mainstreaming within project components
 - Gender mainstreaming at the organizational level
 - Implementation arrangements and time frame
 - Costs and financing
 - Action Plan
 - Documentation of lessons learned
 - Adapting the SIRP GALS manual for use in SACP training of Agritex and GALS mentors
 - Training of Agritex and SACP field staff and GALS Mentors on GALS.
 - Validating the lists of all targeted people at ward level to ensure that the project intervention is reaching the target group (twice a year)
 - Together with Agritex, conducting community wide gender sensitisation ant community level using GALS.

Consultant's qualifications and experience

- The Service Provider will provide consultants with Master's degree in Sociology, Gender Studies, Nutrition social sciences or similar fields
- Ten or more years of relevant professional experience;
- Proven experience in developing strategies for effective gender-mainstreaming (with the production of training manuals and at least one Gender Strategy);
- Working knowledge of community development, agriculture and value chain development, and land and water management;
- Excellent oral & written presentation skills, with very good command of English;
- Creative, innovative system thinkers, with ability to catalyse change.

Implementation Arrangements

The consultancy will be carried out by a firm or a local NGO. The Service Provider will provide qualified staff in targeting and social mobilisation, and nutrition training, gender and youth development interventions. The Service Provider will implement the assignment with Agritex and will withdraw after two years after capacitating Agritex and the GALS mentors to carry out their training.

Duration of the Assignment

The duration of the consultancy will initially be for a period of two years, renewable subject to performance.

DETAILED IMPLEMENTATION MODALITIES: COMPONENT 1: INCLUSIVE VALUE CHAIN DEVELOPMENT

Overall Component Purpose and Structure

Although the skills level and agricultural sector potential in Zimbabwe are among the highest in Africa, the country's gaps in smallholder-based value chain organization result in low productivity. Challenges persist in commercial smallholder production systems, and the financial sector is unable to channel urgently required financing for investments by smallholder farmers and agribusinesses. Component 1 of SACP is designed to address these challenges through the following sequence of key activities:

- a) Call for VC Lead Enterprise Expressions of Interest
- b) Identification of SACP Production Clusters within the target districts
- c) Mobilization of Agricultural Producer Groups and Agribusinesses for VC upgrading
- d) Technical services to APGs and Agribusinesses for upgraded production capacity
- e) Business planning and competitive selection of matching grant recipients
- f) APG and Agribusiness investments to upgrade the VCs.

Below, the detailed sub-component and activity descriptions are provided, as well as the implementation guidelines for each activity. These are followed by the presentations of activity and decision-making workflows for the key operations of Component. At the end of the PIM for Component 1, two Appendices are attached. These cover detailed implementation manuals for two core activities of the component: (a) APG and Microenterprise Support Manual, and (b) Lead Enterprise Matching Grants Manual.

Detailed Sub-component/Activity Descriptions and Implementation Guidelines

Component 1 activities are organized under three inter-linked sub-components: 1.1: Expressions of Interest, Cluster Identification and VC Mobilization, 1.2: Technical Services for APGs and Agribusinesses, and 1.3: Financing for Inclusive Value Chain Investment.

Sub-component 1.1: Cluster Identification and VC Mobilization.

This sub-component's expected results are: (i) 8 smallholder production clusters identified, (ii) 800 farmer groups mobilized and organized, (iii) 200 microenterprises and 40 VC lead enterprises identified and mobilized.

VC Lead Enterprise Identification. A competitive call for Expressions of Interest for Agribusinesses is announced at the project start-up and thereafter every six months during the project years 1-4. Through the call, SACP identifies potential VC lead enterprises³⁰ from provincial and national levels, to invest into agribusiness with smallholders in SACP target areas. From among received Expressions of Interest, a shortlist is made against agreed criteria: (i) technical and financial viability, (ii) gender- and youth-inclusive poverty reduction potential, (iii) climate change adaptation potential, and (iv) nutritional development potential among smallholder communities.

³⁰ As background analysis, the SACP design team identified and collected details of 22 potential partner enterprises for SACP value chain upgrading. It was found that in Zimbabwe the agribusiness sector remains diversified, has high recovery potential, and the companies confirmed their interest to expand their operations and outreach with SACP support. The trading statistics confirm that agriculture production including for export are picking up after the slump of last decade. See more details below at the Appendix 3, in the end of this Section of the PIM.

With the knowledge of Agribusinesses' Expressions of Interest, SACP priority commodities are selected, and Smallholder Clusters can be mobilized.

Smallholder Cluster Identification. Within the 16 SACP-targeted districts, the project identifies at least 8 agriculture production clusters, which will each have high potential to develop smallholder-inclusive and nutrition sensitive value chains. The received Agribusiness Expressions of Interest inform SACP teams regarding the most potential commodities for commercialization. The clusters will enable economies of scale, through significant aggregation of smallholder production and marketing. Each production cluster will be located within the boundaries of 1-3 districts, and the clusters will be the geographic locations for SACP implementation on the ground. The detailed cluster selection criteria are presented in the PIM.

APG and Microenterprise mobilization. To stimulate "Farming as Business" and to develop agriculture and nutrition sensitive value chains, the Project will hold community consultations involving men, women and youth in the identified cluster areas. The venue and the timing of the meetings should allow women to attend, considering the heavy workload of women in the communities. Through these community consultations, SACP requests for APG and Microenterprise Expressions of Interest from the communities, whereby the smallholder groups: (i) propose investments in APG/ME agriculture operations, and (ii) explain potential linkages to market-oriented value chains. The APG members will be small-scale agriculture producers, which fulfil the SACP targeting criteria. The Micro-entrepreneurs will be individual community members with the capacity to manage small businesses, upgrading the value chains at local level.

SACP will pro-actively promote women and youth participation in APGs and MSMEs, including formation of women only APGs and encourage women to take up leadership and decision-making roles in APG. Detailed gender and youth targeting strategies of SACP are described above the Targeting Section of this PIM.

Sub-component 1.2: Technical Services for APGs and Microenterprises.

The expected results of this sub-component are: (i) 800 APGs received BDS and are able to complete bankable climate smart business plans, (ii) 200 Agribusinesses received BDS and are able to complete bankable business plans, which comply with Environmental, Social and Governance (ESG) standards, and (iii) 800 APGs implement CSA practices. The technical services will target APGs and Agribusinesses identified through Subcomponent 1.1. A balanced gender inclusion will be ensured in the targeting of services, and special attention will be given to the rural youth.

Manual Development and TOTs. At pre-start-up phase, the project will develop gender-sensitive manuals and templates for (i) *APG and Microenterprise Business Planning*, in consultation with MFIs, banks and ESG specialists, and (ii) *Climate Smart Agriculture*, in consultation with CCA and agricultural development organizations.³¹ The manuals will include options for climate change adaptation for each of the prioritised value chains for the clusters. After SACP start-up, gender-balanced TOTs are organized for the province and district teams to familiarise them with the BDS and CSA manuals.

Business Development Services (BDS). Following the TOTs, the BDS services for APGs are implemented by the province and district level SACP teams, jointly with recruited BDS consultant groups³². For Microenterprises, the recruited BDS consultants directly lead the service delivery. The BDS consultants are from NGO- or private sector. The BDS follows an activity-based method and Business Planning templates. Topics will include group/business management, operational planning, financial management, procurement and marketing.

³¹ See draft Table of Contents for each manual in the attached PIM

³² The BDS consultants will be either from NGOs or the private sector. The recruitment of these is subject to IFAD's no-objection.

During the BDS sessions, the APGs and Microenterprises will complete their business plans. The BDS is practical and does not include general theory. From among the business plans, those with most potential are selected for Matching Grant financing (C1.3 below). The APG business plans will also identify public infrastructure needs, for possible investments by Component 2 of SACP. Following the Matching Grant disbursements, the SACP district/province teams and the recruited BDS consultants will provide additional services to the APG groups and the Microenterprises, including (i) technical support for the project implementation, (ii) monitoring of the disbursements and utilization of the Matching Grants, and (iii) facilitation of access to markets and financial services

CSA and Productivity Skills Enhancement. CSA technical assistance, including e-extension solutions (such as Kurima Mari used in Zimbabwe³³), will be delivered by Agritex Commodity Specialists and the SACP district/province teams. The service will reach out to all APGs that have expressed their interest to join in project activities and meet the project targeting criteria. The objective of the CSA trainings is to promote climate smart production models and increase farm productivity. Topics will include best practices for crop selection, variety selection, commodity production techniques, climate-smart agriculture solutions, integrated soil fertility management, food loss and waste, nutrition sensitive value chains, production standards, labour saving technologies that reduce the time and burden for women, and national and international certifications. The CSA best practices will be included the Business Plans of each APG and cover also improved technologies for gender and nutrition optimal food crops.

Financial Literacy Services. Local Financial Institutions are mobilized to provide financial literacy workshops for each APG, implemented with facilitation by the SACP province/district teams. The service includes opening of bank accounts for smallholders and for the groups, and training on basic banking skills and concepts such as “saving for a Purpose”, borrowing, interest rates, collateral, bank transactions, payments, and use of mobile and digital banking.

District extensionist award mechanism. At the end of each project year, for each successfully trained APG, the accountable district extension officer receives an award equal to 15 per cent of their annual government salary, with the maximum of 150 per cent. The success is measured by completed Climate Smart Business Plans that qualified to receive matching grant financing from SACP.

Nutrition and Food Security. Under Component 1, SACP will actively pro-promote nutrition and food security aspects in CV development. Detailed nutrition and food security promotion strategies of SACP are described above in this PIM in the Targeting Section.

Sub-component 1.3: Financing for Inclusive VC Investment.

SACP will co-finance, through a competitive selection process, privately owned and managed investments by smallholders and agribusinesses for VC upgrading. Matching Grants (MG) will be made available in three categories, whereby the expected results include: (i) Category 1: US\$ 16 million of competitive co-investments carried out with 800 APGs; (ii) Category 2: US\$ 5 million of competitive co-investments financed with 200 rural microenterprises; and (iii) Category 3: US\$ 2.5 million of competitive co-investments financed with 40 VC Lead Enterprises. In addition, a US\$-denominated Credit Line of US\$ 2.5 million will be established at a selected financial institution, to initiate access to commercial bank finance by those SACP’s partner VC Lead Enterprises that operate in the export sector.

Category 1 MG objectives. Co-financing will be provided to the APGs and their members with the objective of improving their productivity and building their climate change resilience. Smallholders will invest in (i) productivity and product quality; (ii) nutrition and food security;

³³ <https://play.google.com/store/apps/details?id=zw.co.kurimamari&hl=en>

(iii) food loss and waste; (iv) storage; (v) pre-processing; (vi) market linkages; and (vii) environmental/working standards.

Category 2 and 3 MG objectives. Category 2 targets local microenterprises, and Category 3 provincial and national VC lead enterprises. Co-financing is provided to develop agribusiness activities in targeted smallholder-inclusive VCs, including investments in: (i) input material supply; (ii) service supply; (iii) transport services; (iv) storage; (v) processing; (vi) marketing and sales; (vii) farmer training; (viii) climate resilient technologies; and (ix) supply chain coordination. For VC lead enterprises, the MG financing will be made available exclusively for investments/costs related to business operations involving smallholders, both women and men, in SACP target areas.

The MG budget, targets, eligibility criteria and conditions are detailed in the Table 1 below.

Table 1: Matching Grant conditions and eligibility in three grant categories

	Category 1: APG Climate Smart Co-Investments	Category 2: Local MSME Co-investments	Category 3: VC Lead Enterprise co-investments
IFAD Budget	US\$ 16 million	US\$ 4.4 million	US\$ 2.5 million
Target group	Single commodity APGs and the APG members	Local private sector MSMEs based in the SACP clusters	Registered private sector Agribusinesses with min. 2 years operations and financial records.
Specific objectives	Smallholder climate change resilience and commercialization	VC upgrading at local level and climate proofing	Upgraded business models with VC smallholders
Max. US\$ thresholds	Max. US\$ 25,000 to APGs with 30 members	Max. US\$ 30,000 per MSME	Max US\$ 75,000 per VC Lead Enterprise (VC LE) (plus access to max US\$ 150,000 SACP-financed bank credit)
Aver. US\$	US\$ 20,000 per APG	US\$ 22,000 per MSME	US\$ 62,500 per VC LE
Targeted overall number of beneficiaries	800 APGs 24,000 SH households 24,000 seasonal work HHs 240,000 individuals	200 MSMEs 1,000 worker HHs 10,000 supplier HHs 56,000 individuals	40 VC Lead Enterprises 1,000 worker HHs 16,000 supplier HHs 85,200 individuals
Gender and youth incl.	Min. 50% of overall APG members women, 30% youth	Min. 25% of beneficiaries women, 30% youth	Min. 25% of beneficiaries women, 30% youth
CSA and ESG	All APG investments adopt CSA technology solutions	All MSME investments follow minimum ESG guidance	All VC LE investments follow full ESG standards and norms
Nutrition and food security	Commodities with proven positive nutritional impact are preferred	Commodities with proven positive nutritional impact are preferred	Commodities with proven positive nutritional impact are preferred
Counterpart contribution	Minimum 10% in cash and 10% in kind by APG	Minimum 25% in cash and 25% in kind by MSME	Minimum 50% in cash by VC LE
Total investment	US\$ 20 million	US\$ 8.8 million	US\$ 5 million

All MGs will be disbursed in US\$, through bank transactions, and a financial institution³⁴ will be engaged to manage these transactions. In addition, the financial institution will lead on the financial literacy training to Component 1 beneficiaries (refer to C1.2). Digital payments will be promoted for all end-users of the MG investments, to facilitate smooth transactions. To ensure overall transparency of the Matching Grant mechanism among the target groups, public dissemination events for periodic batches of successful matching grants will be organized. This will ensure social monitoring of the investments, improve knowledge on SACP among target communities, and disseminate best practices among VC stakeholders.

³⁴ The design mission assessed the physical presence of financial institutions in target areas, and identified potential partner banks. The assessment is available in the design package.

The MG proposals will be scored against following weighed criteria: (i) technical feasibility, (ii) financial viability and sustainability, (iii) benefits to smallholders, (iv) demonstrated poverty reduction impact, (v) nutrition outcomes, (vi) green solutions, (vii) demonstrated youth employment impact, (viii) women led enterprises and women employment, and (ix) ESG standards. A model of a scoring template is available in the PIM in Annex 8. For the first and second category, the principle acceptance criteria are commercialisation and climate change resilience. For the third category, VC lead enterprises, as principle acceptance criteria the MG financing needs to directly involve smallholders in SACP target areas. The scoring and selection are made by established committees as described below in the procurement section and in the PIM Matching Grant manuals.

Special Credit Line for Export Sector VC Lead Enterprises

Purpose and Overall Approach

As a part of Component 1 VC financing support, in addition to the matching grants, a US\$-denominated Credit Line of US\$ 2.5 million³⁵ will be established at a selected financial institution, to initiate access to commercial bank finance by those SACP's partner VC Lead Enterprises that operate in the export sector and earn a major part of their revenues in foreign currency. This intervention responds particularly to three concerns of the GoZ in rural value chain development: (a) the need to effectively revitalise the operations of smallholder-based, export oriented rural value chains, (b) the need to establish a pilot US\$-denominated commercial borrowing window in a financial market, in which practically no forex liquidity exists and no donor-supported refinancing options are operational, and (c) the need to include in the SACP support to VC Lead Enterprises an instrument, through which a part of the IFAD loan can eventually be repaid in foreign currency.

After the start-up of the project operations, the SACP-financed credit line will be established in a financially sound commercial/development bank through a subsidiary loan agreement to be signed between the selected bank and the GoZ. The selected bank is expected to use this refinancing injection as a part of its overall strategy to develop new products and serve new markets in rural areas.

Credit Line Implementation Arrangements

Key Principles. The following key principles will guide the financing activities and operational procedures of the credit line of SACP for VC Lead Enterprises:

- US\$-denominated loans can be provided to Lead Enterprises only for purposes that are directly related to the development of smallholder-based agricultural value chain that has been qualified for the SACP support.
- To qualify as borrowers from the credit line, the VC Lead Companies need to demonstrate that their projected forex revenues from the VC operations provide an adequate financing base for the repayment of the loans.
- Before they apply for a credit line-financed loan from the selected partner bank, the Lead Enterprises need to have been selected as SACP Matching Grant recipients, and thereby have passed the assessment of SACP's Technical Assessment Committee to indicate that they meet the development and impact criteria of the project.

³⁵ The relatively small LoC amount in comparison with the Matching Grant facility is due to the extreme Forex instability in Zimbabwe, and the consequent requirement that that all LoC transactions and repayments are made in US\$. Therefore the enterprises need to earn adequate US\$ revenues to be able to repay their loans. This limits the LoC target group to export oriented lead enterprises.

- All disbursements from loans to the VC Lead Enterprises will be made in US\$, either to the US\$-denominated bank accounts of the companies in the partner bank or directly to suppliers of goods procured with the borrowed funds.
- In its credit line-refinanced lending operations to SACP's Lead Enterprises, the partner bank carries the full credit risk and therefore uses its own criteria when assessing the bankability of the proposed projects, as well as its own terms and practices for interest rates, collaterals, and repayment and grace periods.

As the credit line operations for the Lead Enterprises are planned to take place predominantly in Harare, the requirement of the bank's presence in all SACP provinces does not apply to this financing activity.

Credit Line Start-up Activities

As a part of the SACP design process, following initial inquiries by IFAD/MLAWRR about the interest of banks to partner with SACP in the Line of Credit implementation, a national banking consultant conducted the institutional assessments of five leading Harare-based commercial/development banks that are active in or have interest to expand to the agri-business finance. These banks included CBZ Bank Ltd, ZB Bank Ltd, NMB Bank Ltd, Steward Bank Ltd and Agribank. The purpose of the institutional assessment was to evaluate the financial and institutional position and product portfolio of the financial institutions as well as their readiness to implement the SACP Credit Line for Export Sector VC Lead Enterprises. The full SACP Potential Partner Bank Assessment Report is included as a supportive document in the SACP Design Document Package.

The outcome of the assessment was that three of the reviewed banks had the financial strength, the required technical capabilities and experience to partner with SACP. These were CBZ Bank, NMB Bank and Agribank.

After the effectiveness of SACP, the NPMU will organise a full assessment of these three banks and their appropriateness to implement the credit line activity. IFAD will provide technical support to this financial institution assessment operation. The key issues to be covered during this institutional assessment include:

- The financial soundness of the financial institution and its technical capacity to efficiently and transparently manage the credit line
- The plans of the bank to use the credit line to develop its strategy and products to serve new markets in rural areas
- The independence of the bank of political interference and its ability charge interest rates that allow full cost recovery
- The quality of the bank's MIS system and its ability to submit the required performance indicators to the NPMU regularly during implementation and supervision
- The key terms proposed by the bank in US\$-denominated credit line operations with VC Lead Enterprises.

Based on the results of this comprehensive review, the NPMU will make a proposal for the selection of the partner bank for the SACP credit line implementation. An IFAD No-Objection

is required for this selection, before the NPMU presents it for final decision making to the SACP Steering Committee.

When an agreement is reached on the selection of the implementing financial institution, a subsidiary loan agreement will be signed between the selected bank and the GoZ on the credit line operation. IFAD will provide models of such an agreement, used for similar implementation partnerships in other countries of the region. After the signing of the subsidiary loan agreement, the bank will nominate a senior officer to be in charge of the operation in the bank and a counterpart to the SACP Project Coordinator in issues related to these financing operations with export oriented VC lead Enterprises.

To start the actual financing operations, the partner bank will open in the partner bank a US\$-denominated bank account called "SACP Credit Line Account". SACP/GoZ will transfer an initial payment to this account, reflecting the projected total disbursements to the borrowers from the credit line during the first 6 months of the lending operations. The implementing bank will request for replenishments to the SACP Credit Line Account from the NPMU of SACP based on (a) the remaining balance of SACP Credit Line Account, and (b) the projected disbursements of the credit line loans in the next 6 months.

For the principal repayments by the borrowers on their credit line-financed loans, another US\$-denominated account called "SACP Credit Line Revolving Fund Account" will be opened in the partner bank. All principal repayments by the credit line borrowers will be deposited in full on this account. At a part of the MTR of SACP, the GoZ and IFAD will agree on the use of the repaid credit line funds during the remaining repayment period of the IFAD loan. One appropriate option would be to continue to use the credit line funds to support other similar VC development efforts with these funds, preferably under new IFAD-financed initiatives in smallholder-based value chain development.

The loan administration preparations and requirements for the partner bank on the SACP credit line operations are relatively light, as the number of borrowing companies is not expected to exceed 25. Loans from the credit line will be identified in the bank's MIS with a special code that facilitates for easy and systematic follow-up and reporting. The coding and the related on-line reporting will also support the effective audit of the credit line operations.

Terms on Loan from Credit Line

As indicated above, the selected partner bank carries the full credit risk of the SACP-refinanced lending operations. Therefore, the bank uses its own criteria, staff and methods/formats/templates when processing the loans and assessing the bankability of the proposed investment projects. Furthermore, when a project is approved for financing by the bank, it decides on its key lending terms on each loan, including the interest rate, collateral, and repayment and grace periods. The margins should be sufficient to cover the bank's transaction costs, profit margin and provide adequate cover for potential default risk. From the project side, the key pre-conditions/terms on the SACP refinanced loans are:

- The maximum loan size for loans to Lead Enterprises from the SACP credit line is US\$ 150,000 (with the average loan projected at US\$ 100,000).
- The whole loan must be used for the development of the SACP-supported smallholder-based value chain.

- Before applying for credit line loan, the Lead Enterprise needs to have been selected as a SACP Matching Grant recipient, to indicate that it meets the development and impact criteria of the project.

In same kind of credit line operations elsewhere in the region, the lending rate from the GoZ to the partner bank has often been close to the rate of IFAD service charge on its loan to the Government (with potentially a small margin to cover the risk for the Government of the collapse of the partner bank). The lending rate in US\$ to the VC Lead Companies and the collateral policy applied will largely depend on the bank's perception on the default risk in these operations in the Zimbabwe market.

After concluding the negotiations to select a partner bank for SACP credit line implementation, the NPMU, with technical support from IFAD, will complete the final version of the implementation guidelines for the SACP credit line operations, including then also the key terms of the loans. This will be a key document to be used when informing the market of the SACP services and when identifying partner Lead Enterprises for VC development under the project.

Use of Credit Line Funds after Closing of SACP

The progress and success of the SACP credit line operations to stimulate smallholder-based VC development and especially the export oriented VC operations will be reviewed during annual supervisions and at the MTR, when adjustments to the selected implementation approach and the terms of the operations can be made. As a part of completion activities of the project at the end of the project period, a comprehensive performance and impact assessment on the operation will be carried out.

Component 1 Workflow

Component 1 implementation progress and workflow are best described based on the different phases of the community and enterprise mobilisation and support (Table 2). The implementation process consists of the following key phases: (1) SACP calls for Expressions of Interest (EoI); (2) Agribusinesses and APGs submit their EoIs; (3) SACP national EoI committee reviews the submissions and shortlists eligible VC Lead Enterprise candidates; (4) APGs and microenterprises receive comprehensive training packages (see C1.2 above); (5) VC LEs, Microenterprises and APGs submit their Full Investment Proposals; (6) MG Technical Assessment Committees (TAGs, including members from a Private Accounting Firm, a Financial Institution, and the SACP) evaluate the proposals received and make MG recommendations; for smaller APG and MSME grants, the approval of grants is made by the Provincial TAGs; (7) For Lead Enterprise Category, IFAD No Objection is required, followed by the National Level Investment Committee's final decision on these large grants; (8) Grant-financed project implementation, reporting and M&E. The reporting on the grant-financed project implementation will allow the monitoring of specific indicators such the amount of land under climate resilient agriculture and adoption of CSA practices, and (9) establishment and implementation of the Credit Line for VC Lead Enterprise support.

Matching grant screening for SECAP Compliance

Prior to the formal screening process the IFC exclusion list will be applied to identify matching grant activities that are eligible for SACP financing. The second step will be the screening of the infrastructure proposals to ensure adherence to Category B particularly for the road lengths, which should not exceed ten kilometers of continuous stretch and irrigation scheme sizes should be below 100ha in size. The scope of works for the infrastructure will determine the depth the environmental and social risk analysis. The next step will be to utilize an

environmental and social screening checklist, see Appendix 3. In summary, the SACP negative list encompasses matching grants with any of the attributes listed below:

- potential for significant conversion or degradation of natural habitats without appropriate mitigation of anticipated impacts;
- activity with potential to emit pollutants to water, air and land and degrading forests;
- activity that will be implemented on disputed land or will result in the displacement of people or requires resettlement;
- activity with potential for significant damages to cultural property;
- activity involving the procurement of pesticides not allowable under national guidelines;
- activity that does not meet the legal requirements of the country, including gazetted environment, health and safety legal requirements;
- activity that will involve use of child labour.

Table 2: SACP Component 1 Implementation Workflow

Steps	Lead Enterprise Investments	Timing (6 Months)	Steps	Smallholder/Microenterprise Investments	Timing (9 Months)
Step 0	Preparatory stages Establishment of (i) Call for EOI procedures, (ii) TAC and Investment Committee with private sector membership, (iii) Transaction capacities, (iv) Proactive private sector awareness raising.	Before project entry into force	Step 0	Preparatory stages Establishment of (i) Compositions of local SACP teams, (ii) BDS Manuals and templates, (ii) CSA Manuals and templates, (iii) Financial Institution partnership for financial literacy and transaction services.	Before project entry into force
Step 1	Call for Expressions of Interest SACP announces the Matching Grants opportunity and conditions, and calls for Expressions of Interests from Agribusiness Enterprises.	Initially and hereafter twice per year	Step 1	Smallholder support system Local level project implementation units capacitated on SACP strategy and instruments.	Initially and refresher at mid-term
Step 2	Expressions of Interest by Agri-companies Agribusinesses communicate their investment ideas in short concept notes. Investment ideas to upgrade any smallholder-inclusive value chain are welcome, including not previously identified.	Within 3 weeks after the call for expressions of interest	Step 2	Identification of APGs in the clusters Community consultations held on SACP. Existing Agriculture Producer Groups (APG) and potential new APGs identified. APG formalization supported.	After receipt of agribusiness expressions of interest
Step 3	Initial screening and field verification EOI committee conducts an initial screening of the expressions received covering: (i) eligibility of applicants, (ii) ESG basic requirements, and (iii) field verification.	Within 2 weeks after the expressions are received	Step 3	Call for EoIs from the clusters SACP announces the Matching Grant opportunity and conditions, and calls for investment proposals from APGs and Microenterprises.	Within 8 weeks after the APG identification. Thereafter twice per year.
Step 4	Preparation of full proposal Pre-selected agribusinesses develop full proposals including (i) business plans, (ii) financial analysis, (iii) development benefits to smallholder households, (iv) innovation and CSA, (v) infra design.	Within 6 weeks after the initial screening of proposals	Step 4	Expressions of Interest by APGs and MSMEs APGs and Microenterprises communicate their expressions of interest in short concept notes. Investment ideas within any value chain are welcome.	Within 4 weeks after the call for proposals
Step 5	Technical Assessment Committee SACP Technical Assessment Committee comprising of private and public sector members (i) conducts scoring of the full proposals against agreed criteria, and (ii) makes recommendation for selection.	Within 2 weeks after receipt of full proposals	Step 5	APG/Microenterprise Technical Assistance Agribusiness and agriculture specialists to provide APG TA regarding (i) business plan development, (ii) climate smart agriculture, (iii) financial literacy and planning, (iv) nutrition, (v) construction design.	During 12 weeks after expressions of interest.
Step 6	IFAD No Objection The recommended proposals and TAC reviews are sent to IFAD for no-objection. IFAD reviews, comments and/or provides no-objection.	Within 4 weeks after receiving the proposal and TAC assessment	Step 6	APG/Microenterprise business plans As result of the technical assistance, the APGs and Microenterprises complete their investment proposals and submit these to SACP.	Immediately after completion of TA
Step 7	Investment Committee and Investment Start-up Investment Committee comprising of private and public sector members formally decides on the investment. The Lead Enterprise is informed and the first tranche of the matching grant financing is made available. The Credit Line is opened for applications by the Lead Enterprises.	Within 4 weeks after receiving IFAD no objection	Step 7	Technical Assessment Committee and Start-up Provincial TAC (i) conducts scoring of the full proposals against agreed criteria, and (ii) makes decision for selection. First financing tranche made available. Implementation.	Within 8 weeks after receiving the business plans.
Step 8	Implementation, Reporting, M&E The Agribusiness implements its business plan, and reports to SACP. SACP facilitates and conducts M&E. SACP and FI makes funds available against achievement of agreed milestones. . The BDS group provides technical assistance services and monitoring support.	After Investment Committee decision	Step 8	Implementation, Reporting, M&E The APG/MSME implements its business plan, and reports to SACP. SACP facilitates and conducts M&E. SACP and FI makes funds available against achievement of agreed milestones. The BDS group provides technical assistance services and monitoring support.	After TAC decision.

Appendix 1: APG and Microenterprise Support Manual

Zimbabwe – IFAD

Smallholder Agriculture Cluster Project SACP

APG and Microenterprise Support Manual

1. APG/ME Mobilization

2. APG/ME Business Planning

3. APG Agricultural Training

4. Competitive Matching Grants

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Introduction and Organization

The SACP project targets 428 wards in 18 districts and in 5 provinces. In these areas SACP is to mobilize and support **800 Agricultural Production Groups (APG)** with participation of about 24,000 households. These groups are to become more productive, profitable and sustainable in their agricultural activities. Furthermore, SACP will support the strengthening of **200 Microenterprises (ME)** in the agriculture value chains. To achieve this, the following main tasks are conducted by the project and implementing partners:

1. **APG/ME Mobilization:** (i) Raise awareness about the project opportunities; (ii) Call for expressions of interest for APG and ME upgrading from among smallholder communities; (iii) Identify potential APGs/MEs for SACP partnership; (iv) support management/registration for new and existing APGs
2. **APG/ME Business Planning:** (i) Train APGs/MEs on business planning and marketing, (ii) financial literacy workshops, (iii) as result, investment proposals developed for Matching Grant competition
3. **APG Training on Climate Smart Agriculture:** (i) Agricultural technique trainings provided, specific for each APG clusters' crop and animal type, (ii) Continuous coaching through project life
4. **Grant Investment Support:** (i) Based on proposals developed by APGs/MEs, selection of matching grant recipients; (ii) Oversight and support of matching grant implementation

APG/ME Support Organization

At Province level: In each province, SACP recruits: (i) Senior Value Chain and Agribusiness Specialist, (ii) CSA Specialist, and (iii) Infrastructure Officer, to coordinate and support APG/ME development.

For each province, specific technical assistance is mobilized to support business planning skills, agriculture skills and financial literacy skills of the APGs and Microenterprises.

At District level: for field level activities, total 32 District Agritex Extensionists support the APG development in 18 districts. For each Agritex Extensionists, the objectives include:

- (i) Average 2 Extensionist focal points per 1 district
- (ii) Each Extensionist will support establishment and strengthening of average 25 APGs over 4 years
- (iii) Each Extensionist will support average 6 new APGs per year

District extensionist award mechanism. At the end of each project year, for each successfully trained APG, the accountable district extension officer receives an award equal to 15 per cent of their annual government salary, with the maximum of 150%. The success is measured by completed Climate Smart Business Plans that qualified to receive matching grant financing from SACP.

Details and guidance for the APG/ME support is the content of this manual. Before and during the field activities, SACP will provide intensive capacity building to its staff at province and district levels. A number of TOTs (Training of Trainers) will be organized for all locations, covering the various topics as mentioned in this manual. Practical training methods such as farmer field school and learning by doing will be used.

Part 1: APG Mobilization and Training

1.1 APG/ME Mobilization

Step 1: Awareness-raising on project concepts and opportunities

SACP's first task is to disseminate comprehensive information about the various project opportunities to all households in the project target areas. The information should be especially clear on the training opportunities and Matching Grants, requirements for access, purpose, maximum amounts, timing, and application process including trainings and planning.

The NPMU KM Officer together with the technical specialists will prepare specific materials for the awareness-raising, to explain the project. Information is to be delivered through various media including posters, leaflets, videos, local public speakers, and village meetings and workshops in all project target areas. The announcement should be repeated periodically to ensure that villagers are informed and aware of the opportunities and conditions. In the beginning of the project, a specific consultancy mission is launched to support this work and the community consultation mechanisms in each province.

Step 2: Call for Expressions of Interest

To stimulate "Farming as Business" and to develop agriculture and nutrition sensitive value chains, the Project will hold community consultations involving men, women and youth in the identified cluster areas. The venue and the timing of the meetings should allow women to attend, considering the heavy workload of women in the communities. Through these community consultations, SACP requests for APG and Microenterprise Expressions of Interest from the communities, whereby the smallholder groups: (i) propose investments in APG/ME agriculture operations, and (ii) explain potential linkages to market-oriented value chains. The APG members will be small-scale agriculture producers, which fulfil the SACP targeting criteria. The Micro-entrepreneurs will be individual community members with the capacity to manage small businesses, upgrading the value chains at local level.

Step 3: APG mobilization, management, regulations and registration

Following the awareness raising workshops / call for Expressions of Interest, smallholders will express their interest in joint investment into APG commodity production. The criteria for group membership includes: (i) Smallholder farming as main livelihood of the household; (ii) Motivation to participate in group activities and smallholder commercialization; (iii) Available time for APG activities and farm improvement; (iv) in overall minimum 50 per cent of total SACP's APG members are women; (v) in overall minimum 30 per cent of SACP's APG members are youth.

APG mobilization: SACP will identify existing operational Smallholder Groups, and in addition, support farmers in the process of Group establishment where appropriate. Villagers will lead the process by themselves, with support by SACP province and district teams. Initial ideas for group purpose, composition and joined activities are recorded in writing during a village meeting, including details as described below:

- (i) Group name and location
- (ii) Group purpose in areas of input procurement, production, post-harvest, marketing
- (iii) Group overall membership and group committee
- (iv) Roles of APG members in the APG committee including 1. Group leader, 2. Deputy for production, marketing and business plan, 3. Deputy for financial management, 4. Assistant for production, marketing and business plan, 5. Assistant for financial management
- (v) Establishment of the groups

APG Regulations: After mobilizing the groups, SACP will organize coaching sessions regarding group management. The APGs will be assisted in development of group regulations. The group regulation document is an official, signed contract between group members. It includes agreement for:

- (i) Principles for group operations: production, marketing, management and accounting.
- (ii) Management and ownership of group property including cash and equipment. This especially for the Matching Grant money transfers through APG bank account, which is established under a person appointed by the group (leader or deputy). For withdrawal of grant money, 3 signatures required from group members. Grant funds are only and exclusively used for the agreed APG work plan.
- (iii) Sharing of benefits from APG joined activities. Access to APG shared equipment and machinery. Sharing of financial profit.
- (iv) Rights and responsibilities of group members, group leaders, group deputies and assistants.

A template for group regulations development is attached in Annex 1.

APG Registration: The APGs are registered at district level administration system. The procedures will be agreed upon and made available by SACP to relevant district management and officials. The registration will follow a simplified and practical procedure, accessible to any Farmer Groups.

Microenterprise Registration: Local microenterprises that have not yet registered are assisted to register, following the procedures under the SME Development offices at district/province level (MWACSMED).

Establishment of APG/ME database at SACP province and national level: The APG groups and MEs are listed in a database with details including: (i) group/ME location and contact details, (ii) composition of group membership or ME ownership, (iii) time of group/ME establishment, (iv) APG/ME produced commodity and preferred production model, (v) classification of APGs/MEs in terms of management, productivity and market access, (vi) technical support provided, (vii) financial support, Matching Grants provided. Each Province has an M&E specialist responsible for the database, and the NPMO will coordinate and consolidate information. An excel template is made available the database.

1.2 APG/ME Production Planning and Trainings

Step 1: Manual development and training of the District and Province Teams

At pre-start-up phase, the project will develop gender-sensitive manuals and templates for (i) APG and Microenterprise Business Planning, in consultation with MFIs, banks and ESG specialists, and (ii) Climate Smart Agriculture, in consultation with CCA and agricultural development organizations. Subsequently, before direct support to farmer groups, SACP will organize technical TOT trainings to the district extensionists and to the province level specialists:

1. TOT on business planning and marketing, implemented by a recruited BDS specialist group. The SACP implementing teams learn the business plan template of SACP for farmer groups. An example business plan is completed (following template in appendix 2) including sections for: (i) production plan, (ii) cost benefit analysis, (iii) budgeting, (iv) marketing. Based on this TOT, the Province/District teams can lead the Step 4 below.
2. TOT on Climate Smart Agriculture implemented by SACP and MLAWRR. Topics are on various adaptive commodity/technology applications. The models will be introduced with special attention to: (i) Introduce the commodity/technology; (ii) Agrological, technical and capacity requirements; (iii) Productivity optimization; (iv) Possibility for replication, especially by the poor and women.
3. TOT on Matching Grant procedures: (i) application process, (ii) money transfer to APG bank account, (iii) procurement of grant investment, (iv) receipts and quotations required.

Step 2: Train APGs/MEs on business planning and marketing

Following the TOTs, the BDS services for APGs are implemented by the province and district level SACP teams, jointly with recruited BDS consultant groups. For Microenterprises, the recruited BDS consultants directly lead the service delivery. The BDS consultants are from NGO- or private sector. The BDS follows an activity-based method and Business Planning templates.

Production/business plan is the key document for APG/ME activities. The plan is also a requirement for SACP Matching Grant applications. During the SACP capacity building workshops, the APGs and MEs will develop their own production plans and business plans.

A template for the group production/business plans is attached to this manual (**see annex 2**). Following the production/business plan template, a 3-day coaching session will be organized for the APGs and separately for the MEs. The below topics are covered:

THREE-DAY COACHING ON PRODUCTION/BUSINESS PLANNING AS PER ANNEX 2 TEMPLATE

DAY 1 Morning

- General introduction on the importance of production/business plan, project farmer grant opportunity (1 hour);
- Model selection and description of production improvement and volume. (2 hours);

DAY 1 Afternoon

- Marketing for the selected model(s) (i) sales of produced commodity, (ii) purchase of input materials, (iii) purchase of investment items and transport costs (3 hours);

DAY 2 Morning

- Production Plan for the selected model (1 hour).
- Costs and benefits (Budget) of the group production plan (2 hours);

DAY 2 Afternoon

- Business plan in detail for the grant proposals of the applicants (2 hours);
- Procurement plan and cost estimation for the grant proposals (1 hours);

DAY 3 Morning and Afternoon

- Training participants present their business plans and receive comments for improvement.

As a result of this 3-day session, APG/ME Production Plan is developed. This Plan is key part of the APG/ME Grant Proposals, to be financed by the SACP. From among the business plans, those with most potential are selected for Matching Grant financing. The APG business plans will also identify public infrastructure needs, for possible investments by Component 2 of SACP.

Step 3: Financial Literacy Workshops: To strengthen the APGs' and MEs' business plan implementation and overall capacity in banking and financial planning, Financial Literacy workshops will be organized. These will be conducted by SACP partner financial institutions, with SACP support. SACP will mobilize the workshop participants from among the APG/ME networks. SACP will also cover the travel and DSA costs of specialists and officers engaged from the partner institutions. The workshop topics include opening of bank accounts for smallholders and for the groups, and training on basic banking skills and concepts such as "saving for a Purpose", borrowing, interest rates, collateral, bank transactions, payments, and use of mobile banking.

Step 4: APG Training on Climate Smart Agriculture and productivity skills enhancement. CSA technical assistance, including e-extension solutions (such as Kurima Mari used in Zimbabwe³⁶), will be delivered by Agritex Commodity Specialists and the SACP district/province teams. The service will reach out to all APGs that have expressed their interest to join in project activities and meet the project targeting criteria. The objective of the CSA trainings is to promote climate smart production models and increase farm productivity.

Farmer groups choose one commodity for investment and to receive in-depth coaching including for:

- (i) Commodity and technology details for climate-smart agriculture solutions
- (ii) Technical and capacity requirements and variety selection
- (iii) Agricultural production schedules
- (iv) Productivity optimization and integrated soil fertility management
- (v) Cost and benefit analysis
- (vi) Markets for input materials and for sales
- (vii) Food loss and waste control
- (viii) Production standards, national and international certifications
- (ix) Labour saving technologies in particular those reducing time and burden for women

The CSA best practices will be included the Business Plans of each APG and cover also improved technologies for gender and nutrition optimal food crops.

Step 5: Gender, Youth, Nutrition and Food Security. The project will adopt the Gender Action Learning System (GALS) approach for achieving gender transformation. This is a community-led empowerment methodology that can be complementary to a value chain development approach. Through technical training offered by the project, women will be empowered to take up roles as producers and market actors along the value chain, in particular in value addition. Non-technical training such as prevention of gender-based violence, sexual reproductive health rights will be offered along with the technical training to encourage women's participation and wellbeing.

SACP will be aware of the diversity of youth populations (gender, age, level of education part of value chain/crop preference) and target value chain analysis accordingly to identify tailored approaches to sub-populations of youth. Value chain analysis and selection will be done in a participatory manner actively involving youth and women, culminating in the selection of value chains that are gender sensitive and suitable for youth interests and capacities.

To ensure that the envisaged increased agricultural production and income from SACP value chain activities lead to improved nutrition and food security, SACP will mainstream three nutrition related approaches into the value chain activities: (i) Social Behaviour Change Communication, (ii) value chain selection, (iii) Women's empowerment.

Step 6: Coaching and monitoring of APGs/MEs during business plan implementation

Following the Matching Grant disbursements, the SACP district/province teams and the recruited BDS consultants will provide additional services to the APG groups and the Microenterprises, including (i) technical support for the project implementation, (ii) monitoring of the disbursements and utilization of the Matching Grants, (iii) facilitation of access to markets and financial services.

³⁶ <https://play.google.com/store/apps/details?id=zw.co.kurimamari&hl=en>

Part 2: APG/ME Matching Grants

To implement the developed APG/ME business plans, SACP has a competitive Matching Grant mechanism to provide financing for the groups through. A total of US\$ 16,8 million is available for a minimum 800 APGs; and US\$ 5 million for 200 ME Grants.

2.1 Eligible applicants and investment

During the above explained group meetings and trainings (Part 1), the SACP target groups will learn about (i) business planning, (ii) climate smart agricultural production methodologies, (iii) financial literacy, and (iv) gender, nutrition and youth inclusivity. During the business planning training, the APG groups and the Microenterprises will develop proposals to implement Matching Grant investments.

The APGs/MEs that operate in the SACP villages are eligible to apply for Matching Grants. Grants are awarded through a competition, to the best Business Plans developed by APGs and by Microenterprises. See Business Plan template in Annex 2. The grants are given with the following conditions:

	Category 1: APG Climate Smart Co-Investments	Category 2: Local ME Co-investments
Target group	Single commodity APGs with 10-30 members. The groups have a group regulation at place, specifying group member and committee roles, and sharing of APG benefits and assets. The group members must have participated in the APG business planning workshops and the CSA technical trainings.	Local private sector ME based in the SACP clusters The MEs must be registered according to Zimbabwe regulations. The MEs participated in the business planning training sessions.
Specific objectives	Smallholder climate change resilience and commercialization	VC upgrading at local level and climate proofing
Max. US\$ thresholds	Max. US\$ 25,000 to APGs with >25 members Max. US\$ 20,000 to APGs with >20 members Max. US\$ 15,000 to APGs with >15 members Max. US\$ 10,000 to APGs with >10 members	Max. US\$ 30,000 per MSME with link to >60 HHs Max. US\$ 25,000 per MSME with link to >50 HHs Max. US\$ 20,000 per MSME with link to >40 HHs Max. US\$ 15,000 per MSME with link to >30 HHs
Aver. US\$	Average US\$ 20,000 per APG	US\$ 22,000 per MSME
Targeted overall number of beneficiaries	800 APGs 24,000 SH households 24,000 seasonal work HHs 240,000 individuals	200 MSMEs 1,000 worker HHs 10,000 supplier HHs 56,000 individuals
Gender and youth incl.	Min. 50% of overall APG scheme members women, 30% youth	Min. 25% of beneficiaries women, 30% youth
CSA and ESG	All APG investments adopt CSA technology solutions	All MSME investments follow minimum ESG guidance
Nutrition and food security	Commodities with proven positive nutritional impact are preferred	Commodities with proven positive nutritional impact are preferred
Counterpart contribution	Grant amount is max. 80% of total investment cost Minimum 10% in cash and 10% in kind by APG	Grant amount is max. 50% of total investment cost Minimum 25% in cash and 25% in kind by MSME
Total investment	US\$ 20 million	US\$ 8.8 million

Grant Investment period (kick-start period with grant resource) ranges between 6-12 months depending on production/business plan.

As result of any investment, household income level needs to increase significantly **in short to medium term**. All investments should be easily replicable by other households in the localities.

Objectives: APG MG programme overall objective is to improve smallholder productivity and building their climate change resilience. Smallholders will invest in (i) productivity and product quality; (ii) nutrition and food security; (iii) food loss and waste; (iv) storage; (v) pre-processing; (vi) market linkages; and (vii) environmental/working standards. Microenterprise MG programme objective is to develop agribusiness activities in targeted smallholder-inclusive VCs, including investments in: (i) input material supply; (ii) service

supply; (iii) transport services; (iv) storage; (v) processing; (vi) marketing and sales; (vii) farmer training; (viii) climate resilient technologies and (ix) supply chain coordination.

Possible investment items: The Matching Grant investment for both APGs and Microenterprises can be used for example for: (i) drying grounds, (ii) drying mills, (iii) post-harvest milling, processing and packaging equipment, (iv) nursery housing and materials, (v) nets and houses for production and storage, (vi) small transport/land preparation machinery, (vii) small scale irrigation systems especially water efficient drip irrigation, (viii) water distribution systems at APG/ME and household levels, (ix) loading and weighing equipment, (x) waste material and waste water management such as filters, composts and biogas systems, (x) animal housing, (xi) veterinary kits and drugs, (xii) transport costs of the Matching Grant investment equipment from shop to production site, (xiii) other costs related to start-up of climate smart agricultural or micro level agribusiness models.

2.2 Competition to select grant recipients

The best APG/ME production plans are selected to receive financing through a competition. A provincial Technical Assessment Committee (TAC) is established in each province for the grant winner selection process. Each province TAC has 5 members to participate in the grant selection panel, including (i) SACP Provincial Coordinator, (ii) Provincial FI Representative, (iii) SACP Provincial CSA Specialist, (iv) SACP Provincial Social Inclusion Officer, and (v) SACP Provincial Financial and Procurement Officer. Minimum 4 out of the 5 members need to be present for the TAC to be effective. The competition steps are as follows:

Step 1	APGs and MEs prepare applications during the business planning training / workshops	Max 2 months
Step 2	TAC reviews the applications to select Grant winners	Max 2 weeks
Step 3	Announcement of winners and agreement signing	Max 10 days

Step 1: APGs and MEs prepare applications during the business planning training / workshops

During the Business Planning workshops, the SACP province/district teams will announce the details of the Matching Grant competition. The announcement includes the following details:

- i. Objective of the Matching Grants;
- ii. Eligible Matching Grant applicants;
- iii. Duration of the implementation;
- iv. Maximum grant amount and required beneficiary contribution;
- v. What can be supported by the grant amount;
- vi. What documents need to be included in the application;

- vii. Deadline and location for submission of the Application;
- viii. Rules for selecting grant winners;
- ix. Places where interested Applicants may obtain further information and support.

See explanation for each detail above at 2.1 of this manual.

After announcement of the Grant opportunity, the APGs have 60 days to finalize and submit their proposals. Applicants will be supported by SACP in preparation of the Applications. Details of the training are explained above at Part 1 of this guideline.

The APGs are responsible for preparation, submission and implementation of the grant proposals. A Group Leader, on behalf of the APG and selected by the APG, will be the contact person for the grant application and implementation process.

The proposal must be submitted to SACP before the announced submission deadline. Applications received after the published deadline will not be eligible, but need to wait for possible next round.

The Application is required to provide details as follows (see templates at appendix 1 and 2):

- title of the grant investment project and name of the farmer group;
- applicant contact details;
- proposed duration of sub-project;
- proposed total cost, grant amount and beneficiary contribution;
- technical description of proposed investment;
- input and output market description;
- work plan and budget including timeline.

In addition, applications need to be accompanied by a signed **Group Agreement**, between all members of the group certifying that: (i) the group will work together and members have decided to implement this sub-project; (ii) the group members agree to contribute to the implementation as described in the sub-project proposal; (iii) the group leader, deputies and assistants are assigned by the group; (iv) all group members agree to apply for the grant; and (v) group has nominated/selected the responsible person for the Application and for the management of the sub-project bank account (group leader or deputy).

Step 2: TAC reviews the applications to select Grant winners

Maximum 7 days after the submission deadline, the Province Technical Assessment Committee (TAC) will hold a meeting to appraise the proposals against an agreed set of criteria. The following criteria template will be used to assess the proposals:

Criteria		Out of maximum
Impact on increased incomes (maximum 30 points)		
1	Is there sufficient number of beneficiaries against the grant amount?	___ / 10
2	Will the proposal lead to significant income increase of participants?	___ / 10

3	Are there 50% women among applicants and beneficiaries in the proposal?	___ / 10
Technical feasibility (maximum 30 points)		
4	Does the proposal include an appropriate production/business plan that follows the proposal template?	___ / 10
5	Is the applicants' commitment sufficient, by including in-kind / in-cash contributions?	___ / 10
6	Is the production/business plan practical, feasible and profitable?	___ / 10
Sustainability and Climate Change Adaptation (maximum 30 points)		
7	Does the proposal contribute to sustainable, climate smart value chains?	___ / 10
8	Is it clear how the sub-project activities are continued after the end of the sub-project? How the procured equipment is maintained and used in long term?	___ / 10
9	Is the agriculture production plan adapted to climate and other risks?	___ / 10
Environment impact (maximum 10 points)		
10	What is the impact of the investment on the environment (from -20 if very negative to +10 if very positive)?	___ / 10
Total		___ / 100

During the evaluation meeting, (i) TAC members will discuss the proposals and individually give scoring to each Application; (ii) The scores of the reviewers are immediately averaged; (iii) After scoring and averaging the proposals, the Committee will verify the final scoring of the Applications.

Proposals exceeding scoring of 70 points are considered approved for implementation, in the limits of available budget for the Matching Grant scheme. Those with scores less than 70 points are returned to Applicants together with the declaration of negative result. Proposals that are rejected can be improved and re-submitted in later calls for Applications.

Step 3: Announcement of winners and agreement signing

Following approval, the legal Grant Agreement documents will be issued by SACP. The grant agreement will be signed by (i) APG Leader and 2 APG Deputies, (ii) SACP representative and (iii) District representative. The final Grant Agreement is sent to NPMO for review and no objection. Grant Agreement key contents include:

- i. Final version of the Matching Grant Proposal: (i) Expected results and description of implementation; (ii) Costs including grant funds and applicant in-kind contribution; (iii) Implementation plan and a schedule for the grant fund transfer;
- ii. Disbursement details including documentation of a bank account to be used for Matching Grant money transfers;
- iii. Procurement method and responsibilities; Equipment ownership rights during and after the completion of the sub-project;

- iv. Rules for reporting, monitoring, supervision and audit; Rules for publication/disclosure of results/information;
- v. Cancellation or other measures to be taken in the event of an unacceptable level of sub-project implementation or other causes of delay; and cancellation due to Force Majeure;
- vi. Schedule for the disbursement of funds by the SACP;
- vii. Commitment of the APG Leader and members to follow the agreed work plan and use Grant funds accordingly.

The Grant Agreement is prepared in three original copies. One original copy each is retained by the APG in the Village, District authorities and SACP-PPIU.

To ensure overall transparency of the Matching Grant mechanism among the target groups, public dissemination events for periodic batches of successful matching grants will be organized. This will ensure social monitoring of the investments, improve knowledge on SACP among target communities, and disseminate best practices among VC stakeholders. The BDS consultant group will support the district/province SACP teams in the organization of these events.

2.3 Matching Grant Implementation: Financial, Procurement and Supervision Procedures

The PPIU is responsible for the agreed disbursements. PPIU will ensure that grant funds are transferred to the APGs as per Grant Agreements in a timely manner.

The Group Leader and 1-2 deputies are the primary recipients of grant funds. It their responsibility to use the grant funds as agreed in the work plan and Grant Agreement.

The District Extensionists are responsible for supervision of the Grant Implementation. The PPIU specialists and infrastructure officer will ensure appropriate procurement procedures and that all grant funds are used according to APG work plans and Grant Agreements.

(a) Disbursement

The grant disbursements will be made to commercial bank account registered for the APG Leader or APG Deputy. The bank should be located in the district or province, as close to the APG as possible. The group members will officially authorize the Group Leader or Deputy to act as the APG account holder. For Matching Grant transaction to the group account, all group members are officially informed. For withdrawal of Grant funds, at least three APG members need to sign approval. For each payment by the Grant funds, the grant recipient will provide evidence (receipt, photograph) that funds are used according to the work plan.

The grant disbursements will be in 2-3 tranches which are defined in the grant implementation plan. The second and third tranche are paid upon successful completion of the business plans, against agreed milestones of achievement.

(b) Procurement

All Grant implementation and procurements will be carried out directly by the APG Leader and Members in accordance with procedures satisfactory to the Government of Zimbabwe and consistent with IFAD Project Procurement Guidelines. The role of the SACP province and district teams is to review, supervise and guide the procurement carried out by the Grant Recipients, thereby ensuring transparency and accountability of the Grant Agreement. All goods and services procured by the Grant Recipients using the proceeds of the grant shall be used exclusively for the purposes of the project as stipulated in the Grant Agreements.

Procurement steps are as follows:

- i. As part of Farmer Grant proposal, APG identifies the goods and services to be procured. A specific Procurement Plan details (1) the procurement items, (2) quality specification for each item, (3) the timing of procurement for each item, (4) costs per item and total costs;
- ii. The APG prepares for procurement of each item by (i) collection of three competitive quotations when possible, (ii) agreeing with the suppliers and service providers about purchase details including time and cost, (iii) discuss within the group and decide on procurement.
- iii. When procuring, the APG shall pay attention to the need for economy, efficiency, transparency, timing and quality of the procured goods and services.
- iv. At the time of procurement (duration 1-2 days per time), the APG will (i) withdraw the required Grant funds from the bank account, (ii) contract the transport vehicle as required, (iii) purchase the goods and get all receipts, (iv) transport the goods to APG location. To save transport costs, as many items should be purchased in one time as possible.
- v. APG produces evidence of procurement and quotations. The evidence such as receipts and photographs are copied or photographed and sent to SACP staff **the next day after procurement took place**. If seller could not produce receipts, village head signature may substitute the receipts.

(c) Ownership of Goods

All purchased materials and equipment remain the property of the SACP during the implementation period. The group members will have the full property right for the purchased goods, after successful completion of the Matching Grant Work Plan. The ownership right belongs to the group after Completion Report is submitted and approved by SACP. The completion report is sent to SACP NPMU for information. (See appendix 4 for completion report template)

The APG will use the goods as agreed in the proposal description, both during and after the completion of the sub-project. The APG is responsible for maintenance of all assets. The joint ownership of the assets, joint use of the assets, and the sharing of benefits are agreed upon in the APG Group Agreement.

(d) Reporting, Monitoring, Evaluation

The Matching Grant monitoring and evaluation is done by the SACP province M&E officer and district extensionists. This includes two steps: (i) initial field check against APG work plan; and (ii) review and validation of APG completion report.

Initial field check is performed and reported by the SACP province/district teams, prior to signature of the Grant Agreement. The main purpose is to verify that the resources presented in the proposal are actually available to the APG. APG Leader is required to show available resources, and all APG members need to be available to meet with the field check.

An additional purpose for the initial field check is documentation (pictures and description) of baseline situation at the production site.

Completion reporting includes: (i) APG supported by the district extensionists submits completion report, (ii) PPIU will review the final report against the Grant Agreement targets, (iii) PPIU will perform a field-check to verify the Completion Report and submit a validated completion report to NPMU for information. (See appendix 4 for Completion Report template)

In addition, a sample of completed sub-projects will be evaluated and documented by experienced specialists, to assess whether the particular sub-projects and Grant Scheme in general has achieved intended results in terms of increased incomes, technology development and dissemination, productivity improvements, skills

development and market linkages. The independent evaluators will have access to field check baseline documentation, final documents, and all Grant implementation sites. The results of the Farmer Grant scheme will be documented by the evaluators, with the aim of showcasing and replicating good activities.

(e) Accounting and Internal Audit

SACP holds overall responsibility for ensuring that disbursements are processed timely, and ensures that the appropriate procurement procedures are followed, and that the necessary accounting and audit procedures are carried out as per general requirements.

The APGs will submit to SACP the receipts and/or other evidence for all expenditures by Grant funds. (invoices, receipts, written declarations, photographs etc.). With SACP support, the APGs will also prepare a Grant Completion Report including expenditure report once the work plan is completed.

Grant expenditures may be audited, as deemed appropriate, within the overall SACP financial audit process. The APGs will co-operate fully with the auditors and will make available to the auditor whatever records, documentation and other information is requested by the auditor. If any misuse is found, APG members and collaborating institutions will be liable for repaying any grant funds misused and all steps will be taken for recovery according to the regulation in power in Zimbabwe.

(f) Completion, Suspension and Cancellation of Grant

Completion of Grant. Upon receipt of Completion Report from the APG, SACP shall initiate procedures to complete the grant. This includes three steps: (i) Review of the Completion Report including expenditure report and evidence of use of funds as per work plan, (ii) Field visit and validation of the Completion Report, (iii) Communication of the completion through Completion Letter to the APG. The Completion letter includes announcement that the grant investments are moved to the full ownership of the APG members. (see Completion Report and Completion Letter templates in appendixes 4 and 5)

Suspension and Cancellation of Grant. The SACP holds right to terminate the grant at any time, if: (i) the APG does not follow work plan of the Grant Agreement; (ii) the APG has significant delays in the implementation and SACP believes that the APG cannot achieve its objectives; (iii) no proper evidence is shown for the fund use according to the work plan; (iv) false documents or information is provided; (v) the Grant is used to finance expenses not approved by the SACP, and conducting activities other than approved; or (vi) the APG decides to terminate the Matching Grant-project.

In the case of a cancellation of the Grant, all funds received under the Grant which have not been used, shall be returned to the SACP account. All amounts, which have not been paid, shall be cancelled by SACP and all equipment purchased by grant shall be returned to the SACP. In the case of misuse of grant funds, the APGs will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to the regulation in power in Lao PDR.

Force Majeure. Neither the APG nor SACP will be responsible to the other for delay or failure in performance of any of the obligations imposed by this Agreement when such failure is occasioned by unintentional fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, court order, riot, war, strikes, and labor disturbances, beyond the reasonable control and without the fault or negligence of either of the APG or the SACP.

Annexes

Annex 1. Farmer Group Regulation Template

1. Purpose of the group

.....

2. Group composition, group structure and group management

.....

3. Principles for group operations including production and marketing

.....

4. Ownership of group property including cash and equipment

.....

5. Management and maintenance of group assets in long term

.....

6. Sharing of profits from group activities

.....

7. Responsibilities of group members, group leaders and group assistants

.....

8. management of group bank account and rules for withdrawing funds

.....

9. Responsibilities for financial reporting

.....

Signed by all group members

1. Name :

Signature:

2. Name :

Signature:

3. Name :

Signature:

4. Name :

Signature:

5. Name :

Signature:

6. Name :

Signature:

7. Name :

Signature:

Date of signatures:

Signed by village leader

Village leader name:

Signature:

Date:

Annex 2. Farmer Group Production/Business Plan Template

I. GENERAL INFORMATION

Name of the production/business plan:

.....
.....

Information of the group:

Village:

District:

No. of group members: , of which: Poor....., Female.....,

Youth

Duration and cost of the production plan:

Implementation duration, approximately: (months).

Expected starting time: (month/year); Expected ending time:
.....(month/year)

The total investment cost of the production plan:

Requested financed amount:

In-cash contributions by the beneficiaries :

In-kind contributions by the beneficiaries:

List out and describe all the in-kind contributions (e.g. labor, equipment, tools, land in connection with production activities):

Description of the in-kind contributions	Value
1.	
2.	
3.	

II. Production plan

A. Product.....

.....

.....

.....

B. Production volume (How much production, yield).....

.....

.....

.....

C. Market (how many % for sales? where to sell the product?).....

.....

.....

.....

D. Purchase of input materials (Where to buy? Purchase jointly?).....

.....

.....

.....

E. Matching Grant sub-project objectives:.....

1.

2.

3.

4.

III. Commodity Production Budget (example headings for animal husbandry)

Product:					
Harvest Period:					
Sold to:					
		Unit	No. of Units	Unit cost	Value
Output	Output 1	kg			
	Output 2 ...	kg			
Total Revenue		kg			
1. Input materials					
Grass and legume seed					
Animal feed					
Animal breeds (cattle, pigs, goat)					
Vet. Drugs and vaccines					
...					
2. Housing and equipment (divide cost by No. of usable periods)					
Housing facilities					
Water pipes, pumps etc.					
Feed processing equipment					
Operation cost					
Costs of rent machinery					
...					
3. Operations costs					
Water					
Electricity					
Gasoline					
Maintenance of housing and machinery					

Transportation				
Miscellaneous costs				
...				
4. Labour				
Land preparation for forage	day			
Forage planting and tending				
Forage harvest and carry				
Animal feed processing				
Animal feeding and watering				
Cleaning of animal shelter				
...				
5. Loan repayment				
Interest rate				
Capital repayment				
Total costs				
Profits (revenue-costs)				

IV. Matching Grant Procurement Plan:

Procurement Items	Quality Specifics	Time of procurement	Unit	Quantity	Unit price	Total cost
TOTAL COST						2650 US\$
1) Input materials						Total: 250
1.1 Example: Plastic bags for nursery	20L plastic bags	February	Bag	500	0.5 US\$	250 US\$
1.2						
1.3 Nursery construction materials						
1.4 Drying ground construction materials						
1.5 etc etc						
...						
2) Machineries, equipment						Total: 2000
2.1 Example: Tractor	Wheelbase: min. 250 cm - max. 270 cm Weight: min. 4400 kg – max. 5000 kg Engine: min. 5.0L – max. 6.0L diesel etc.	January 2018	Machine	1	2000 US\$	2000 US\$
2.2						
2.3						
2.4						
2.5						
...						

2) Services						Total:
2.1 Example: Tractor, plastic bags, construction materials etc. transport to village	1 truck for 1 day	January 2018	1 Trip	1	400 US\$	400 US\$
2.2						
2.3						
2.4						
2.5						
...						

V. Verification signature:

1. Signatures by Group leader and the Deputies

Group Leader Name: Signature Date

Group Deputy Name: Signature Date

Group Deputy Name: Signature Date

2. Verification by the responsible District support staff and by the Village Head:

District Staff Name: Signature Date

Village Head Name: Signature Date

(Full name and seal)

Annex 3. APG Matching Grant Agreement Template

**APG MACHING GRANT AGREEMENT
BETWEEN SACP AND APG**

APG Matching Grant

Agreement No:	Sub-project No.
----------------------	------------------------

Parties	
Party 1	APG Leader and two Deputies on behalf of the APG (see Group Agreement Letter in Annex 2 to this agreement)
Party 2	SACP Provincial Coordinator

Contact Details		
	APG Leader	SACP
Name:		
Address:		
Phone:		
E-mail:		
Bank account details:		Not applicable

The application to the SACP for APG Matching Grant funding for the grant sub-project defined in the following schedule and hereinafter known as the “sub-project” has been approved by the SACP Province Technical Assessment Committee, subject to the terms and conditions contained in this Agreement.

SUB-PROJECT DESCRIPTION	
Sub-project title:	
Agreement commencement date:	Agreement completion date:
Grant Agreement amount:	Amount of beneficiary contribution:

THE AGREEMENT

It is agreed between the following Parties

Party 1: (APG Leader, representing the Recipients)

Party 2: (SACP Provincial Coordinator)

1. PURPOSE

1.1 The grant funds provided to the APG by the SACP shall be used exclusively for the purposes specified in the proposal (see Annex 2) submitted to the SACP by _____ (Group Leader) _____ (date of submission).

2. RESPONSIBILITIES

2.1 SACP is responsible for the agreed disbursements. PRCO will ensure that grant funds are transferred to the APGs as per Grant Agreements in a timely manner. SACP is also responsible for supervision of the Grant Implementation. SACP will ensure appropriate procurement procedures and that all grant funds are used according to APG work plans and Grant Agreements.

2.2 The Group Leader and 1-2 deputies are the primary recipients of grant funds. It their responsibility to use the grant funds as agreed in the work plan and Grant Agreement.

3. DISBURSEMENT

3.1 The grant disbursements will be made to commercial bank account registered for the APG Leader or APG Deputy. The bank should be located in the district or province, as close to the APG as possible. The group members will officially authorize the Group Leader or Deputy to act as the APG account holder. For Matching Grant transaction to the group account, all group members are officially informed. For withdrawal of Grant funds, at least three APG members need to sign approval. For each payment by the Grant funds, the grant recipient will provide evidence (receipt, photograph) that funds are used according to the work plan.

3.2 The grant disbursements will be in 2-3 tranches which are defined in the grant implementation plan. The second and third tranche are paid upon successful completion of the business plans, against agreed milestones of achievement.

4. PROCUREMENT

4.1 All Grant implementation and procurements will be carried out directly by the APG Leader and Members in accordance with procedures satisfactory to the Government of Zimbabwe and consistent with IFAD Project Procurement Guidelines. The role of the SACP province and district teams is to review, supervise and guide the procurement carried out by the Grant Recipients, thereby ensuring transparency and accountability of the Grant Agreement. All goods and services procured by the Grant Recipients using the proceeds of the grant shall be used exclusively for the purposes of the project as stipulated in the Grant Agreements.

Procurement steps are as follows:

- i. As part of Farmer Grant proposal, APG identifies the goods and services to be procured. A specific Procurement Plan details (1) the procurement items, (2) quality specification for each item, (3) the timing of procurement for each item, (4) costs per item and total costs;
- ii. The APG prepares for procurement of each item by (i) collection of three competitive quotations when possible, (ii) agreeing with the suppliers and service providers about purchase details including time and cost, (iii) discuss within the group and decide on procurement.
- iii. When procuring, the APG shall pay attention to the need for economy, efficiency, transparency, timing and quality of the procured goods and services.
- iv. At the time of procurement (duration 1-2 days per time), the APG will (i) withdraw the required Grant funds from the bank account, (ii) contract the transport vehicle as required, (iii) purchase the goods and get all receipts, (iv) transport the goods to APG location. To save transport costs, as many items should be purchased in one time as possible.
- v. APG produces evidence of procurement and quotations. The evidence such as receipts and photographs are copied or photographed and sent to SACP staff **the next day after procurement took place**. If seller could not produce receipts, village head signature may substitute the receipts.

5. OWNERSHIP OF GOODS

5.1 All purchased materials and equipment remain the property of the SACP during the implementation period. The group members will have the full property right for the purchased goods, after successful completion of the Matching Grant Work Plan. The ownership right belongs to the group after Completion Report is submitted and approved by SACP. The completion report is sent to SACP NPMU for information.

5.2 The APG will use the goods as agreed in the proposal description, both during and after the completion of the sub-project. The APG is responsible for maintenance of all assets. The joint ownership of the assets, joint use of the assets, and the sharing of benefits are agreed upon in the APG Group Agreement.

6. ACCOUNTING AND INTERNAL AUDIT

6.1 SACP holds overall responsibility for ensuring that disbursements are processed timely, and ensures that the appropriate procurement procedures are followed, and that the necessary accounting and audit procedures are carried out as per general requirements.

6.2 The APGs will submit to SACP the receipts and/or other evidence for all expenditures by Grant funds. (invoices, receipts, written declarations, photographs etc.). With SACP support, the APGs will also prepare a Grant Completion Report including expenditure report once the work plan is completed.

6.3 Matching Grant expenditures will be subject to a performance audit at various milestones as will be agreed and incorporated the guidelines. The APGs will co-operate fully with the auditors and will make available to the auditor whatever records, documentation and other information is requested by the auditor. If any misuse is found, APG members and collaborating institutions will be liable for repaying any grant funds misused and all steps will be taken for recovery according to the regulation in power in Zimbabwe.

7. COMPLETION, SUSPENSION AND CANCELLATION OF GRANT

7.1 Completion of Grant. Upon receipt of Completion Report from the APG, SACP shall initiate procedures to complete the grant. This includes three steps: (i) Review of the Completion Report including expenditure report and evidence of use of funds as per work plan, (ii) Field visit and validation of the Completion Report, (iii) Communication of the completion through Completion Letter to the APG. The Completion letter includes announcement that the grant investments are moved to the full ownership of the APG members. (see Completion Report and Completion Letter templates in appendixes 4 and 5)

7.2 Suspension and Cancellation of Grant. The SACP holds right to terminate the grant at any time, if: (i) the APG does not follow work plan of the Grant Agreement; (ii) the APG has significant delays in the implementation and SACP believes that the APG cannot achieve its objectives; (iii) no proper evidence is shown for the fund use according to the work plan; (iv) false documents or information is provided; (v) the Grant is used to finance expenses not approved by the SACP, and conducting activities other than approved; or (vi) the APG decides to terminate the Matching Grant-project.

7.3 In the case of a cancellation of the Grant, all funds received under the Grant which have not been used, shall be returned to the SACP account. All amounts, which have not been paid, shall be cancelled by SACP and all equipment purchased by grant shall be returned to the SACP. In the case of misuse of grant funds, the APGs will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to the regulation in power in Lao PDR.

7.4 Force Majeure. Neither the APG nor SACP will be responsible to the other for delay or failure in performance of any of the obligations imposed by this Agreement when such failure is occasioned by

unintentional fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, court order, riot, war, strikes, and labor disturbances, beyond the reasonable control and without the fault or negligence of either of the APG or the SACP.

8. CORRUPT AND FRAUDULENT PRACTICES

8.1 IFAD requires that all beneficiaries of IFAD funding, including the employer and any bidders, implementing partners, service providers, suppliers, sub-suppliers, contractors, sub-contractors, consultants, sub-consultants, and any of their agents (whether declared or not) and personnel observe the highest standards of ethics during the procurement and execution of such contracts, and comply with IFAD's Policy on Preventing Fraud and Corruption in its activities and operations, revised on 12 December 2018 (EB 2018/125/R.6, hereinafter "IFAD's Anti-Corruption Policy"³⁷).

8.2 For the purposes of these provisions, and consistent with IFAD's Anticorruption Policy, the terms set forth below are defined as follows, and sometimes referred to collectively as "prohibited practices":

- (a) "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value in order to improperly influence the actions of another party;
- (b) "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation;
- (c) "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party;
- (d) "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party, to improperly influence the actions of that or another party;
- (e) "obstructive practice" is (i) deliberately destroying, falsifying, altering or concealing evidence that may be material to an investigation by the Fund or making false statements to investigators in order to materially impede an investigation by the Fund; (ii) threatening, harassing or intimidating any party in order to prevent that party from disclosing its knowledge of matters relevant to an investigation by the Fund or from pursuing such an investigation; and/or (iii) the commission of any act intended to materially impede the exercise of the Fund's contractual rights of audit, inspection and access to information.

8.3 The Fund will deny approval of a proposed contract award if it determines that the firm or individual recommended for award, or any of its personnel or agents, or its sub-consultants, sub-contractors, service providers, suppliers, sub-suppliers and/or any of their personnel or agents, has, directly or indirectly, engaged in any of the prohibited practices in connection with an IFAD-financed and/or IFAD-managed activity or operation, including in competing for the contract.

³⁷ https://www.ifad.org/documents/38711624/40189363/fraudpolicy_eb86_e.pdf/e2ae80aa-e423-4d7c-a582-c01c1917b427

8.4 In accordance with IFAD's Anticorruption Policy, the Fund has the right to sanction firms and individuals, including by declaring them ineligible, either indefinitely or for a stated period of time, to participate in any IFAD-financed and/or IFAD-managed activity or operation. This may include ineligibility to: (i) be awarded or otherwise benefit from any IFAD-financed contract, financially or in any other manner; (ii) be a nominated sub-contractor, consultant, manufacturer, supplier, sub-supplier, agent or service provider of an otherwise eligible firm being awarded an IFAD-financed contract; and (iii) receive the proceeds of any loan or grant provided by the Fund.³⁸ The Fund also has the right to unilaterally recognize debarments by any of the International financial Institutions that are members to the agreement for mutual enforcement of debarment decisions if such debarments meet the requirements for mutual recognition under the agreement for mutual enforcement of debarment decisions.

8.5 In addition, the Fund has the right to, at any time, declare a misprocurement and/or the ineligibility of any expenditures associated with a procurement process or contract if it determines that prohibited practices occurred in connection with this procurement process or contract and that the borrower/recipient has not taken timely and appropriate action, satisfactory to the Fund, to address such practices when they occur.

8.6 Bidders, suppliers, consultants, contractors, and their sub-contractors, sub-consultants, service providers, suppliers, agents and personnel, are required to fully cooperate with any investigation conducted by the Fund into possible prohibited practices, including by making personnel available for interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to the relevant IFAD-financed and/or IFAD-managed operation or activity and to have such accounts, premises, records and documents audited and/or inspected³⁹ by auditors and/or investigators appointed by the Fund.

8.7 The bidder is obliged to disclose relevant prior sanctions and criminal convictions and any commissions or fees paid or are to be paid to any agents or other party in connection with this procurement process or the execution of the contract.

8.8 The bidder shall keep all records and documents, including electronic records, relating to this procurement process available for a minimum of three (3) years after notification of completion of the process or, in case the bidder is awarded the contract, execution of the contract.

9. SEXUAL HARASSMENT, SEXUAL EXPLOITATION AND ABUSE

9.1 The Fund requires that all beneficiaries of IFAD Funding, including the employer and any bidders, implementing partners, service providers, suppliers, sub-suppliers, contractors, sub-contractors, consultants, sub-consultants, and any of their agents (whether declared or not) and personnel comply with IFAD's Policy

³⁸ For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

³⁹ Inspections include all fact-finding activities deemed relevant by the Fund to address allegations or other indications of possible prohibited practices. Such fact-finding activities may include, but are not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data or information (whether in hard copy or electronic format) deemed relevant for the investigation or audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verifications of information. It is the responsibility of the firm or individual under inspection to ensure effective compliance with their duty to cooperate vis-à-vis any potential local laws or regulations or other potentially conflicting obligations.

on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. For the purpose of this provision, and consistent with IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse as it may be amended from time to time, the terms set forth below are defined as follows:

- (a) Sexual harassment means "any unwelcome sexual advance, request for sexual favour or other verbal, non-verbal or physical conduct of a sexual nature that unreasonably interferes with work, alters or is made a condition of employment, or creates an intimidating, hostile or offensive work environment.
- (b) Sexual exploitation and abuse means "any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of others (sexual exploitation); the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions (sexual abuse)".

9.2 Employers, suppliers and bidders shall take all appropriate measures to prevent and prohibit sexual harassment and sexual exploitation and abuse on the part of their personnel and subcontractors or anyone else directly or indirectly employed by them or any of subcontractors in the performance of the contract. Purchasers, suppliers and bidders shall immediately report to the purchaser or IFAD any incidents of sexual harassment and sexual exploitation and abuse arising out of or in connection with the performance of the contract or prior to its execution, including convictions, disciplinary measures, sanctions or investigations. The purchaser may take appropriate measures, including the termination of the contract, on the basis of proven acts of sexual harassment, sexual exploitation and abuse arising out of or in connection with the performance of the contract.

9.3 The bidder or subcontractor or supplier is required to disclose any relevant prior sanctions, convictions, disciplinary measures or criminal records.

10. MONEY LAUNDERING AND TERRORIST FINANCING

10.1 The Fund requires that all beneficiaries of IFAD funding or funds administered by IFAD, including the employer, any bidders, implementing partners, service providers and suppliers, observe the highest standards of integrity during the procurement and execution of such contracts, and commit to combat money laundering and terrorism financing consistent with IFAD's Anti-Money Laundering and Countering the Financing of Terrorism Policy.

Date:
{Date/Month/Year}

On behalf of the Group signed by APG Leader:

Name: Signature:

Signed by the Village Head:

Name: Signature:

Signed by the SACP Province Coordinator:

Name Signature:

APPENDIX 1 TO THE GRANT AGREEMENT: FARMER GROUP AGREEMENT (see manual appendix 1)
APPENDIX 2 TO THE GRANT AGREEMENT: PRODUCTION/BUSINESS PLAN (see manual appendix 2)

Annex 4 Completion Report template

COMPLETION REPORT

The APG Matching Grant has been completed, and results are achieved as explained in the below tables 1 and 2.

Group name and Village name:

Signed by Group Leader on behalf of the APG members:

Signed by Village Head:

DATE:

TABLE 1. RESULTS TABLE AGAINST PRODUCTION PLAN OBJECTIVES

Objective	Activity	Result	Next steps
1.			
2.			
3.			
4.			

TABLE 2. FINANCIAL CHECK LIST AGAINST PROCUREMENT PLAN:

Procurement Items	Time of completion?	Total expenditure?	Completed or not?	Receipt available?	Other evidence available?
TOTAL COST		2650 US\$			
1) Input materials		Total: 250			
1.1 Example: Plastic bags for nursery	January 04	250 US\$	Yes	Yes	Picture
1.2					
1.3 Nursery construction materials					
1.4 Drying ground construction materials					
1.5 etc etc					
2) Machineries, equipment		Total: 2000			
2.1 Example: Tractor	January 04	2000 US\$	Yes	Yes	Picture
2.2					
2.3					
2.4					
2.5					
2) Services		Total:			
2.1 Example: Tractor, plastic bags, construction materials etc. transport to village	January 04	400 US\$	Yes	No	Village head stamp
2.2					
2.3					
2.4					
2.5					

Annex 5 Completion Letter template

Sent to: 1. APG Leader and deputy of group

2. SACP NPMU

Sent by: SACP PPIU

MATCHING GRANT COMPLETION LETTER

It is certified that the Matching Grant is completed with the following details:

Group name, Village Name and Matching Grant number:

.....

Matching Grant total expenditure:

.....

Matching Grant starting date and completion date:

.....

The attached APG Matching Grant Completion Report is validated and correct.

Hereby the assets gained through the Matching Grant are transferred to full ownership and management of the APG members. The assets will be managed following the APG Group Agreement.

CERTIFIED BY SACP PROVINCIAL PROJECT IMPLEMENTATION UNIT

SIGNATURE BY SACP PROVINCIAL COORDINATOR:

Appendix 2: Lead Enterprise Matching Grants Manual

Lead Enterprise Matching Grants Manual

Zimbabwe
Smallholder Agriculture
Cluster Project

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This draft manual is produced as part of the SACP project design, Zimbabwe. It will be reviewed and updated in the course of the SACP Project Start Up workshops.

July, 2020

PART 1: INTRODUCTION AND PRINCIPLES OF THE LEG SCHEME

1. As an important tool for poverty reduction and improved development impact, the purpose of the Value Chain Lead Enterprise Matching Grant (LEG) scheme under the IFAD-Financed SACP project is to leverage private investment in agriculture and rural development through reduced risks and costs associated with investment in under-developed locations or resulting from climate change impacts.
2. The objectives of LEG investments include:
 - i. **Increased incomes of rural farmer households** by improving their market opportunities, supply provision and available services, by
 - ii. initiating and strengthening profitable agricultural business in the rural areas, and by
 - iii. creating and strengthening the market linkages between farmers and businesses.
3. Registered Agribusiness Enterprises can apply for grants to introduce new production/business modalities to: (i) increase their processing capacity, raw material and raw produce intake capacity, productivity, marketing and competitiveness; and/or (ii) improve the quality of agricultural and business development services to farmer households and Agriculture Producer Groups (APG); and/or (iii) improve the quality of input supply to farmer households and APG; and (iv) showcase and disseminate new business opportunities locally.
4. This document is a guide to implement the LEG schemes. The guide includes information on:
 - i. Overall priorities, applicant eligibility and management of the LEG scheme;
 - ii. LEG competition announcement;
 - iii. Contents and submission of Applications;
 - iv. Technical review of Applications and selection of Winners;
 - v. Implementation, financing, and monitoring procedures.
5. Grants are awarded based on a competitive and transparent process, and include a significant contribution from grant recipients. Grants are awarded in the context of IFAD project activities, and, alongside grant-funding, the awardees will receive: (i) support to improve their management, business planning and business linkages; and (ii) support to improve the quantity and quality of the primary produce procured from the farmers.
6. The LEG scheme is implemented alongside a Competitive Small Grants (CSG) scheme of smaller grants targeting Agriculture Producer Groups and Microenterprises. The two categories of grants are to be implemented in close synergy, allowing coherence between the value chain investments.

Priorities for Lead Enterprise Matching Grants (LEG)

7. The LEG Matching Grants are to improve the quality and quantity of the production and services of grant winning business entities', in terms of: (i) productivity, (ii) product/service quality and quality control, (iii) quality and quantity of procured primary produce, (iv) food safety, (v) storing, (vi) processing, (vii) transport,

(viii) branding, (ix) marketing strategies, market linkages and outreach of sales/services, (x) environmental standards and climate change adaptation, and (xi) working standards for the human resource base.

8. Priority activities consist of appropriate and affordable production technologies and service modalities that will enable wider participation of the poor in market oriented agricultural value chains, increase rural productivity, enhance competitiveness and increased market-accessibility of local agricultural products. Grant proposals need to include support towards greater productivity and profits of smallholder farms.

Eligible Applicants and Types of Support

9. Large Enterprise Matching Grants (LEG) are made available to (i) Private Agribusiness Enterprises, (ii) Agribusiness Cooperatives. As of now, these are referred to as “Agribusinesses”.

10. For eligibility, the business entities need to operate in SACP targeted areas by (i) procuring from, (ii) supplying to, and/or (iii) delivering services to rural producer groups comprising poor households.

11. Only registered Agribusinesses in operation at least 12 months are eligible to apply. The entities should provide the following documentation: (i) Business License/Registration; (ii) Article of Association for cooperatives; (iii) Annual tax Return Report for previous year; and (iv) Bank account details and 12 months report on cash-flow.

12. Business entities are not eligible to apply in cases of: (i) having gone bankrupt or being liquidated; (ii) being sentenced for offences or involved in a court case for offences; (iii) not fulfilling obligations related to the payment of social security contributions or tax payments; (iv) history of any breach of their contractual obligations concerning payments, contracts or tender procedures.

13. The LEG scheme will consider supporting grant proposals for the defined priorities and eligible applicants, within the following limits:

- i. Grant amount of US\$ 30,000 - 75,000, based on evaluation of detailed business plan;
- ii. The Agribusinesses are required to contribute at least 50% to the total investment cost, in cash, which is required to be disbursed alongside the first grant tranche, and before a second tranche;
- iii. Implementation period of up to 24 months depending on value chain requirements. Longer periods require exceptional justification;
- iv. The location of the investment needs to be within Zimbabwe;
- v. The investment needs to include expansion of supply chain or other activities with smallholders in the SACP target areas;

14. In addition to the minimum 50% in-cash contributions, the Agribusinesses are encouraged to report additional in-kind contributions, to demonstrate high commitment to the proposal. The in-kind contributions may take the form of assets, inputs or materials that are directly applicable to the activities within the LEG Matching Grant proposals. This may include the value of the following:

- i. Land allocation for the new investment, including additional land and transformation of the use of existing land;
- ii. Reallocation of existing machinery/equipment and stocks in support of the investment;
- iii. Reallocation of existing buildings for the purpose of the investment;
- iv. Existing water, electricity and other utilities to be used for the investment.

15. The value of all in-kind contributions will be estimated by the Agribusiness, as part of the proposal, and validated by the SACP. Any material or input that is used by the business entity prior to the investment, and not reallocated for the purposes of the investment, shall not be considered as in-kind contribution.

16. Acceptable budgetary items to be covered by the grant financing can be divided into four categories:

- i. Costs related to agriculture supply chain management and delivery of agricultural technology or BDS services to smallholder farmer households,
- ii. Machinery and equipment, non-consumable materials such as equipment, machineries and other non-consumable (non-input) materials associated with establishing the technology;
- iii. Technical Assistance and Business Development Services to strengthen the Agribusiness operations such as infrastructure designs, technology installations and training, marketing support, business planning support, investment planning support;
- iv. Consumable materials such as initial inputs, supplies and other consumable materials associated with establishing the new technology.

17. The LEG scheme will not cover expenditures:

- i. Made prior to signature of the grant agreement
- ii. That does not fall within the approved and announced priorities;
- iii. Where sub-project completion date is not within the announced time frame;
- iv. If the value of the grant requested is higher than the amount mentioned in the public announcement of the call for Expressions of Interest (Eol);
- v. If the grant Application does not follow the rules announced in the call for Eols;
- vi. If the Applicant has failed to follow terms of agreement of any previous IFAD or other public institutions grant supported projects with the consequence of grant cancellation.

Management of Competitive Business Grants

18. Management of the LEG process will include: (i) **National Project Management Unit (NPMU)** of the IFAD supported Project is responsible for daily management of the LEG scheme. (ii) **Eol Committee** will be set up for the shortlisting of LEG Expressions of Interest for preparation of full proposals. (iii) **Technical Assessment Committee (TAC)** is established to assess the quality of LEG proposals, (iv) **Investment Committee** is established to make investment decisions.

19. **The SACP NPMU** will include a Senior Value Chain and Agribusiness Specialist to coordinate the LEG the process. He/she, jointly with other NPMU relevant members, will perform the following:

- i. announce the LEG competition and coordinate the process, including a broad-based promotional and application training programme;
- ii. manage the LEG monitoring and evaluation;
- iii. give overall LEG guidance for candidates;
- iv. recommend suitable BDS providers for detailed planning and implementation support;
- v. advise the Grant Winners on administrative requirements of the Grant Agreements;
- vi. ensure that LEG candidates - and each Grant Winner in particular - will benefit from Value Chain services provided by the IFAD project, including productivity support, business management/planning support and marketing support at supply chain level.

20. **Eol Committee** will be established by the NPMU and the PSC. The board will be composed of: (i) SACP Project Coordinator, (ii) SACP Senior VC/Agribusiness Adviser, (iii) SACP Procurement Officer. The Eol Committee will meet half-yearly, or as considered appropriate, for the shortlisting of eligible LEG candidates, but not later than 1 week after the date of submission of LEG Expressions of Interest. Prior to the meeting, the Eol will have reviewed the Eols, and make decision on shortlist.

21. **Technical Assessment Committee (TAC)** will also meet half-yearly, to technically assess the quality of the full investment proposals prepared by the Agribusinesses. The TAC is established by the PSC and will consist of (i) External Review Consultant recruited for this particular task from a reputable international Audit Company, (ii) Representative of a Financial Institution (preferably a bank that conducts the LEG financial transactions), (iii) SACP Senior VC/Agribusiness Adviser, (iv) SACP Senior CSA Adviser, (v) SACP Senior SI Specialist, (vi) SACP Procurement Officer. The TAC will, on a case-by-case basis as required, in accordance to an agreed format (Appendix 2), guide the LEG Investment Committee in their decision on grant winners.

22. **Investment Committee** will meet regularly to decide on investments, based on TAC recommendation and IFAD No Objection. The Investment Committee will consist of (i) Senior Ministry Representative, (ii) SACP Project Coordinator, (iii) Financial Institution Representative, (iv) Private Sector Representative.

PART 2: LEG COMPETITION

Step 1: Call for Expressions of Interest

23. At the project start-up, and every 6 months during the following 3 years, the Project will advertise the LEG scheme to potential Agribusiness. The advertisement is in the form of "Call for Expressions of Interest". The call will be made through discussion events, mass media (including local and national newspaper advertisements), direct contacts, business associations and project implementing partners. The NPMU will be the point of contact for requests and queries, and for submission of proposals. The NPMU will also have a public posting at the office, informing on all LEG related events and results.

24. The call for Eols will include the following information:

- x. Objective of the Eol;
- xi. The categories of eligible competing candidates;
- xii. Conditions of Application and participation, including: (i) sub-project duration, (ii) total acceptable sub-project cost, (iii) maximum grant size, (v) requirement of mid-term milestones in implementation plan and the practice of disbursement tranches;

- xiii. Requirement of 50% beneficiary in-cash contribution to total sub-project cost, to be disbursed before receiving second tranche of the grant amount;
- xiv. Encouragement to include additional of in-kind contributions;
- xv. Categories of costs that can be supported out of the grant amount;
- xvi. Deadline for submission of the Eol;
- xvii. Conditions of Eol submission and information regarding the sub-project selection procedures;
- xviii. Places where interested Applicants may obtain the necessary documentation and support.

Step 2: Rapid Screening and initial monitoring visit

25. After the deadline of submissions, the NPMO's Eol Committee will carry out a rapid screening of proposals for eligibility and compliance with the LEG guidelines. The screening process will **reject** proposals for the following reasons:

- i. If applicants do not meet the eligibility criteria as stated in the call for Applications;
- ii. If the proposed duration of the sub-project is longer than stated in the call for Applications;
- iii. If the total grant request and beneficiary contribution are not within the minimum and maximum limits allowed;
- iv. If the requested documentary evidence is not provided;
- v. If the proposal is not within the specified project area and priorities;
- vi. If the requested budget items are different from the stated objective;
- vii. If the Application is not completed and signed.

26. If the proposal is rejected in the rapid screening, the Eol committee will inform the Principal Applicant accordingly together with the reasons for rejection. Proposals that are rejected can be improved and re-submitted in subsequent calls for Applications.

If the proposal passes the rapid screening, the Eol committee will conduct an initial monitoring visit to the Applicant and business location to officially validate the facilities and capacities as mentioned in the proposal. If the proposal and the capacity of the enterprise are confirmed by the validation, the proposal is forwarded for Full Proposal Preparation and subsequent assessment by the Technical Assessment Committee.

Step 3: Application

27. Responsibility for proposal preparation, submission, implementation, and accountability will rest with the Principal Applicant. The Principal Applicant, legally representing the business entity, will be the contact for all matters pertaining to the sub-project. Three copies of the proposal and of all supporting documentation must be received at the PCU by the announced deadline. Applications received after the published deadline will not be eligible for consideration. In order to ensure timely submission, Applicants will be advised to deliver proposals by hand.

28. Applicants will be invited to prepare and submit the proposals not less than 6 weeks from the first date of publishing the call for proposals. Applicants will be supported by the PCU and PCU-facilitated BSD providers in preparation of the Applications. The LEG Application is required to provide details as follows:

- i. Business Plan;
- ii. Financial Plan;
- iii. Application form including:
 - title of the sub-project and name of the Lead Enterprise;
 - applicant contact details including for the business entity and Principal Applicant;
 - proposed duration of the sub-project;
 - proposed total cost, requested grant amount and Lead Enterprise in-cash contribution;
 - proposed in-kind contribution by Lead Enterprise;
 - sub-project description including problem statement and proposed solution / actions;
 - input and output market description and action plan;
 - budget items, schedule of tranches of disbursement, measurable milestones;
 - expected outputs and outcomes of the grant project;
 - applicant capacity statement;
 - budget and procurement plan;
 - implementation plan table.
- iv. Documentation of an account in a financial institution with available funds for beneficiary's investment contribution;
- v. Business license/ Business or Cooperative registration;
- vi. Annual tax Return Report for previous year and minimum 12 month historical financial report.

29. Upon receiving an Application, the Technical Assessment Committee (TAC) will immediately acknowledge the receipt of submission and assign a registration number to the proposal that will be used throughout the life of the sub-project.

Step 4: Technical review by TAC

30. Upon receiving the full LEG Applications, TAC will review them in detail, and prepare comments dealing with the financial viability, market viability, technical quality, sustainability, poverty reduction impact and applicability of the proposals. Within two weeks after the submission deadline, TAC will score all received proposals, and Technical Recommendation is made with either: (i) Recommendation to invest, (ii) Recommendation to invest with required improvements, or (iii) recommendation not to invest, with the possibility of re-submission with improvements.

31. The following weighted criteria template will be used to score the proposals. SACP can decide to change the weighting between criteria, and add, revise or remove criteria as per project priorities. It is also expected that the criteria would be amended over time, as experience and changes in the focus of the program occur.

Criteria	Out of maximum Points
----------	-----------------------

Development impact (maximum 40 points)		
1	Poverty reduction and nutrition impact to smallholder households in the supply network	___ / 15
2	Employment creation both at the facility and on-farm	___ / 10
3	Inclusion of women and youth	___ / 15

Sub-project innovation and replication potential (maximum 30 points)		
4	Climate Smart Agriculture and long term environmental sustainability of supply chains	___ / 10
5	Long term economic/financial sustainability (profitability) of the investment	___ / 10
6	Potential for further expansion of the operation by the business entity	___ / 10

Beneficiary contribution and technical capacity (maximum 20 points)		
7	Technical capacity of the investor and staff	___ / 10
8	Level of in-cash contribution above the minimum	___ / 5
9	Level of in-kind contribution	___ / 5

Lead Enterprise on-site environmental impact (maximum 10 points)		
10	Consideration for mitigation of pollution including respective treatment plans	___ / 10

Total	___ / 100
--------------	------------------

32. During the TAC meeting, (i) Recruited TAC External Review Consultant will present his review made, (ii) TAC members will discuss the proposal and give individual scores to each Application. (iii) The scores of the reviewers are immediately averaged. (iv) the TAC will verify the final scoring of the Applications.

33. Proposals with or exceeding a score of 70 points are recommended for implementation, within the limit of available budget for the LEG scheme. Those with scores less than 70 points are returned to Applicants

together with the declaration of negative result and the main reasons for failure. Proposals that are rejected can be improved and re-submitted in subsequent calls for Applications.

Step 5: Investment Decisions

34. The sub-projects approved by the TAC will proceed for next steps: (i) IFAD No Objection. The recommended proposals and TAC reviews are sent to IFAD for no-objection. Within 3 weeks after received, IFAD reviews, comments and/or provides no-objection; (ii) Investment Committee Decision is made following the TAC technical recommendation and the received IFAD no objection, and finally, (iii) Contract signing meeting is organized, and the final list of winning Applicants and titles of the proposals will be made available to all LEG applicants and displayed publicly.

35. SACP will organize an information session for the successful Applicants to clarify the contract-signing procedures, grant management and implementation, disbursement and procurement regulations, monitoring and reporting requirements, and contractual obligations. A schedule for individual meetings will also be arranged.

36. Prior to the signing of the Grant Agreement, each winning Applicant will attend an individual meeting with the PCU, to clarify the budget, the schedule of activities and any other outstanding issues necessary before the finalization of the Agreement. The meeting would agree on: (i) responsibilities for monitoring; (iv) schedule of the sub-project implementation; (v) reporting requirements; and (vi) other issues as required. After agreement on the above issues has been reached, a contract will be prepared.

PART 3: GRANT IMPLEMENTATION

Grant Agreement

37. Following Investment Committee approval of the grant proposal, the legal Grant Agreement documents will be issued by the SACP. The final Grant Agreement has to be reviewed by the SACP technical and financial officers, signed by the NPMU Director, and sent to SACP PSC for information.

38. The Grant Agreement is binding on signature by all parties, and the LEG-project proposal will be a component of the legal documentation. Key items of the Grant Agreement are as follows:

- i. Products, services and results that must be delivered under the contract;
- ii. Agreed measurable milestones, with technical description of implemented items by agreed ending dates of proposed sub-project periods;
- iii. Costs financed within the sub-project framework, including grant funds to be made available and applicants' in-cash contribution;
- iv. Implementation plan by milestones and a schedule for the releasing trenches of grant funds;
- v. Procurement method and responsibilities;
- vi. Equipment ownership rights (during and after the completion of the sub-project);

- vii. Rules for reporting, monitoring, and supervision;
- viii. Rules for publication/disclosure of results/information;
- ix. Cancellation or other measures to be taken in the event of an unacceptable level of sub-project implementation or other causes of delay; and

39. The Grant Agreement will include the milestone-based schedule for the disbursement of funds by the PCU, adherence to the agreed work plan and expenditure requirements by the grantee, and commitment to the monitoring and supervision process by all parties.

40. The Grant Agreement should be signed not later than 30 days after the publication of the notice of LEG awardees, unless strong evidence is provided by Principal Applicant to delay the Agreement. If the reasons presented by the Principal Applicant that led to the failure in signing the Grant Agreement within the 30 days are found insufficient by the NPMU, the sub-project will be cancelled.

41. The Grant Agreement will be signed by the Principal Applicant and the SACP Director. The Grant Agreement is prepared in three original copies. One original copy each is retained by the Principal Applicant, SACP NPMU, and the Ministry of Finance.

Financial and Procurement Procedures

42. The SACP NPMU holds overall responsibility of ensuring that agreed disbursements are processed in a timely manner as per Grant Agreement, appropriate procurement procedures are observed, and the necessary accounting and audit procedures are carried out.

43. Grant winning business entities and their representative Principal Applicants must be fully aware of their financial obligations under the Grant Agreement and make appropriate provisions for meeting the requirements. The Principal Applicant is the signatory of Grant Agreement and it is the responsibility of the Principal Applicant to ensure that funds are handled in accordance with the work plan and Grant Agreement, and ensure that reporting is to the standard and timing required. The Grant Agreement requires that funds be returned in the event of termination of the Grant Agreement and that any uncommitted funds on completion date be returned to the NPMU.

(a) Disbursement

44. The grant disbursements will be made to an account in a commercial bank, registered and managed by the business entity. For each payment from the grant amount, the grant recipient will provide evidence that the money has been receipted and used according to the contract.

45. The grant will be disbursed in 2-3 tranches as agreed between SACP NPMU and the Principle Applicant. The first tranche payment will be made as an advance payment immediately after approval and signing of the Grant Agreement by all parties. Further tranche payments would be advanced on the basis of (i) beneficiary submitted request, together with (ii) documented evidence for the use of disbursed grant and beneficiary funds as per Grant Agreement, (iii) milestone progress report by Grant Recipient and milestone monitoring report by the SCAP NPMU, and (iv) disbursement of the Lead Enterprise counterpart contribution.

46. Upon receiving a milestone progress report that satisfactorily describes the fulfillment of the milestone targets, the NPMU will review the report, conduct a field visit, and confirm the correct use of the previous

tranche and authorizes in writing the payment of the next tranche. A payment order is prepared by the NPMU and signed by the Director. This "Order of Payment" is to be submitted together with the annexed (i) "Request for Payment" from the beneficiary, (ii) summary table of the beneficiaries "Statement of Expenditure" (original) for the use of previous tranche, and (iii) the milestone monitoring report. Upon submission, the NPMU will release the funds from the Project bank account to the beneficiary's account.

47. The in-cash beneficiary contribution needs to be disbursed during implementation of the first milestone. Second tranche of grant amount can be requested for only after full disbursement of beneficiary in-cash contribution, following the agreed work plan.

48. The grant recipient shall notify the PCU in writing of any anticipated delays in achieving the established milestones and the reason. At any time during the grant period, the grant recipient may request the PCU to revise the "Payment Schedule" to better reflect the current work plan and to better meet the grant recipient's cash flow needs, but this request should be justified accordingly.

(b) Procurement

49. All Grant implementation related procurements will be carried out directly by the Grant Recipients in accordance with procedures satisfactory to the Government of Zimbabwe and consistent with IFAD Project Procurement Guidelines. The role of the SACP is to review, supervise and guide the procurement carried out by the Grant Recipients, thereby ensuring that integrity, transparency and accountability are maintained. All goods and services procured by the Grant Recipients using the proceeds of the grant shall be used exclusively for the purposes of the project as stipulated in the Grant Agreements.

50. Following the IFAD good practice of procurement includes:

- i. As part of sub-project proposal, the Grant Applicant identifies the goods and services to be procured. A specific procurement plan (Annex 6 of the LEG Manual) details (1) the procurement items, (2) quality specification for each item, (3) the timing of procurement for each item, (4) costs per item and total costs;
- ii. The NPMU and the Grant Recipient record the identified procurement needs and procurement plan under the Grant Agreement;
- iii. The Grant Recipient prepares for procurement of each item by (i) collection of three competitive quotations when possible, (ii) agreeing with the suppliers and service providers about purchase details including time and cost;
- iv. When procuring the Grant Recipient shall pay attention to the need for economy, efficiency, transparency, timing and quality of the procured goods and services;
- v. Grant Recipients produce evidence of procurement and quotations, as per Grant Agreement, as part of the mid-term and final report to be submitted to NPMU;
- vi. The Project may conduct a random audit of LEGs by an external auditor.

(c) Accounting and Internal Audit

51. The NPMU will give technical guidance to Principal Applicants in preparing the statement of expenditure reports, upon which Principal Applicants can request the subsequent disbursement. The NPMU holds overall responsibility for ensuring timely disbursements, that the appropriate procurement procedures are observed, and that the necessary accounting and audit procedures are carried out as per general requirements.

52. Grant beneficiaries must be fully aware of their financial obligations under the Grant Agreement and make appropriate provisions for meeting those requirements. The Grant Agreement requires that funds must be returned in the event of termination of the Grant Agreement and that any uncommitted funds upon completion be returned to the NPMU.

53. The grant beneficiary will submit to the NPMU the statement of expenditure, accompanied with original supporting documents (i.e. invoices, receipts, written declarations, etc.). The originals must be filed by the NPMU and kept for as many years as specified in the national legislation. The beneficiary shall provide documentary evidence of both grant and beneficiary cash contributions to the sub-project. The NPMU may withhold scheduled payments or require that grant activities be suspended if statements of expenditure reports are overdue or the documentary evidence on the use of grant funds is insufficient.

54. The grant beneficiary shall prepare a final grant report at the end of the grant sub-project in the format mentioned in Annex 6 reflecting the operations, resources and expenditures related to the sub-project. The grant beneficiary shall submit a copy of the said final grant report as soon as available, but in any case not later than 45 days after the completion of the sub-project.

55. Grant expenditures will be audited, as deemed appropriate, within the overall NPMU's financial audit process. The grant beneficiary will co-operate fully with the PCU auditor and will make available to the auditor whatever records, documentation and other information requested by the auditor in connection with the audit of the NPMU funds. Business entities and Principal Applicants will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to the legislation in force.

Ownership of Goods

56. The applicant will follow the stipulated use of goods as agreed in the Grant Agreement. All purchased goods and assets are the property of the Project during the implementation of the sub-project. The recipient will enjoy the property right for the purchased goods only after a successful completion of the sub-project. The recipient is responsible for taking care of all property and providing for the proper maintenance of equipment. If stipulated in the Grant Agreement the Grant Recipient shall insure the assets procured with grant funding. In the case of NPMU's termination of the grant as a result of violation of the Grant Agreement, or the termination of the sub-project by the grant recipient, the NPMU may be instructed to repossess the equipment. Repossessed equipment would be sold and proceeds, less any sales costs, would be deducted from the grant beneficiary financial obligations under the agreement, and returned to the grant fund for reallocation.

Reporting, Monitoring and Evaluation

57. A well-designed monitoring and evaluation system is critical for ensuring timely and successful implementation of grant-funded sub-project activities and for enhancing their impact through systematic

analysis and dissemination of lessons learned. The NPMU is responsible for the overall monitoring and evaluation grant-funded sub-projects, through reviews of all progress reports and on-site visits.

58. The monitoring and evaluation of the grant implementation includes five steps: (i) initial monitoring visit; (ii) baseline evaluation; (iii) milestone reports and subsequent monitoring visits; (iv) final monitoring review and (v) final evaluation. The NPMU is responsible for all monitoring and evaluation, and the Grant recipient is responsible for submission of milestone reports and the final report. Each proposal will have clearly defined milestones, final targets and associated performance indicators, against which progress can be assessed. These indicators are agreed between the NPMU and the applicant, as part of the Grant Agreement.

59. **Initial monitoring** visit is performed and reported by the NPMU EoI Committee, prior to submitting the proposal to the technical review and scoring by the TAC. The main purpose is to verify that the resources and capacities presented in the proposal are actually available to the Applicants.

60. **Baseline evaluation** is performed after start of the grant implementation, to document the baseline situation of the grant winning businesses including their economic impact among farmer households. The final impact evaluation will be conducted against results of the baseline evaluation.

61. **Milestone monitoring** is (i) initiated by Grant recipients submission of milestone progress report, describing progress of implementation against Grant Agreement's listed milestone indicators. Subsequently, (ii) the NPMU will review the milestone progress report prepared and submitted by the Grant recipients, and (iii) perform a field visit to confirm the reported implementation. Within 30 days after the submission of milestone progress report, (iv) the NPMU will submit a milestone monitoring report for information of PSC and Grant Recipient, describing results of the desk review and field visit. The milestone monitoring report of the NPMU is a requirement for disbursement of the next tranche of the Grant. The NPMU may contract independent evaluators to support the NPMU with milestone reviews.

62. **Final monitoring** review is initiated by (i) Grant recipient's submission of final report, describing the final outcomes of the implementation against Grant Agreement's listed indicators. (ii) The NPMU will review the final report and (iii) perform a field-check of implementation, and (iv) submit a final monitoring report to NPMU and Grant Recipient.

63. **Final Evaluation** will be conducted by NPMU contracted independent evaluators, to assess whether the sub-project and Grant Scheme in general have achieved intended results in terms of poverty reduction, creation of farmer household market opportunities, increased incomes, employment, technology development and dissemination, productivity improvements, skills development and improved market access. The independent evaluators will compare the situation with baseline evaluation results, and will have full access to baseline data, milestone documents and all Grant Beneficiary production sites. The results of the LEG scheme will be documented by the evaluators, with the aim of showcasing good activities. The NPMU will disseminate the lessons learnt for replication/adoption by others.

Close-out, Suspension and Cancellation of Grant

64. **Close-out of Grant.** Upon receipt of final reports from the Recipient, the NPMU shall initiate procedures to close-out the grant. Close-out procedures include obtaining and approving all required statement of expenditure and progress reports, ensuring that any unexpended grant funds are refunded to the IFAD project, and communication of close-out through a close-out letter from NPMU to the Grant recipient. All Grant requirements remain in full force and effect until the grant recipient receives the close-out letter from NPMU indicating that all obligations have been satisfied.

65. **Suspension and Cancellation of Grant.** The NPMU holds right to terminate the grant at any time, if: (i) the Recipient does not follow provisions of the Grant Agreement; (ii) the Recipient has significant delays in the implementation of the sub-project and the NPMU believes that the sub-project cannot achieve its objectives; (iii) the Recipient fails to submit complete financial report; (iv) the Recipient fails to submit copies of financial documents to complete financial reporting; (v) no proper accounting exists in financial records; (vi) false documents or information is provided; (vii) the Grant is used to finance expenses not approved in the LEG agreement, and conducting activities other than approved; and (viii) the Principal Applicant terminates engagement in the sub-project.

66. In the case of a cancellation of the Grant, all unused funds received under the sub-project shall be returned to the NPMU account. All amounts, which have not been paid, shall be cancelled by the NPMU and all equipment purchased by grant financing shall be returned to SACP. In the case of misuse of grant funds, the Principal Applicants will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to the legislation in power.

67. **Force Majeure.** Neither the Recipient nor SACP will be responsible to the other for delay or failure in performance of any of the obligations imposed by this Agreement when such failure is occasioned by unintentional fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, court order or government interference, civil commotion, riot, war, strikes, and labor disturbances, beyond the reasonable control and without the fault or negligence of either of the Recipient or the SACP.

ANNEXES

Annex 1 of the LEG Manual. Investment Proposal Template

The Business Entity will be provided with below Investment Proposal Template, and an excel template for financial/economic analysis of the proposed investment.

The text in red is explanation and detailed questions to help in preparation of an investment proposal. The red text is to be deleted and replaced by enterprise descriptions as per given headlines.

Executive Summary

(each section summarized from descriptions below)

Project title

Product description

Marketing and Sales

Development/investment

Supply chain of raw materials and its development

Operations management and personnel

Financial summary

Opportunity

Business overview

Name, Location and Legal Status

Mission Statement

What is your business underlying idea, goals and vision in few sentences? Few examples:

- **AGCO** is the chief manufacturer and distributor of agricultural equipment such as replacement parts, tractors, hay tools, sprayers, forage equipment, and implements. Mission statement is "Profitable growth through superior customer service, innovation, quality and commitment."

- **Harley Davidson** fulfills dreams through the experience of motorcycling, by providing to motorcyclists and to the general public an expanding line of motorcycles and branded products and services in selected market segments.

Products and Markets

Explain briefly:

- Overall description of the product and the raw materials used
- Description of the business customers

Objectives

- Potential opportunity of growth
- Foreseen development of above described products and markets
- Required improvement to reach the objective, description of needed inputs

Product/service description

Description

Details, quality, volumes and pricing of the produce explained in depth

Stage of Development

The growth vision of the business explained in depth:

- In what size and production model did the business start?
- How has the business developed until now?
- What are business objectives for the coming 5-10 years?
- What are the next strategic measures to reach the objectives?
- How will the business finance its growth measures?

Marketing and sales

Customers

- Who are the current customers and where are the customers located?
- Why do the customers buy produce from the business?

Competitor Analysis

- Which other producers sell to the same customers?
- What is the difference between product of the business and its competitors?
- What is the difference between price of the business and its competitors?

Target Market Strategy

- How will the business keep its customers and reach to new customers?
- Where are potential new markets?
- What are the product quality and volume requirements of new markets?

Advertising and Promotion Strategy

- How will the potential new customers learn about the offered product?
- What channels of promotion will the business use?

Marketing and Sales Forecasts

- How did the markets of the produce change during last years?
- How will (can) the produce price and quality requirements change in the coming years?
- What are seen business risks and opportunities in changing markets?

Development/investment

Existing facilities: description, value and operations cost

- What facilities (including land, buildings, machines, vehicles, etc.) are currently owned and used by the business?
- What is the value of the facilities?
- What is the full operation cost of the facilities?
- What is the full maintenance cost of the facilities?

Investment: description, value, implementation timeline and milestones for reimbursement of refinancing

- What investment is required for the growth of the business?
- As result of the investment, how will the quantity and quality of produce be increased?
- As result of the investment, how will the intake capacity of the business be increased?
- How will the business increase its profitability as result of the investment?
- What is the value of planned investment?
- What are the sources of funding for the investment, including own capital, lending, CBG?
- What is detailed workplan to implement the investment including schedule, responsibilities and milestones for funds reimbursement?

Permits and Government Incentives

- Which official permits are needed for the current operation and for the planned investment?
- Which government incentive policies such as subsidized lending, primary producer support, staff training or other inputs are available?
- How the government incentives can be utilized?

Human Resources (Staff, training, working standards)

- How many employees currently work in the facility?
- What are the different tasks of the workers, including administration and technical staff?
- What is the full cost of the staff?
- Have the workers received training for their tasks?
- Has the business paid attention to working standards? What concrete measures?

Human Resources Development (Staff, training, working standards)

- How many employees are foreseen to work in the facility after the investment?
- If there will be new staff, what are their tasks?
- What is the cost of the new staff and new total budget for the personnel?
- Is there training requirement due to the investment?
- How will the investment influence the working standards in the business?

Environmental Aspects: existing and foreseen problems, solutions and cost of solutions

- What problems of environmental pollution exist currently?
- What measures business has done to solve the problems? What was cost of these solutions?
- What environmental problems are foreseen as result of the planned investment?
- What are the proposed solutions to these problems? What is the cost of the solutions?

Development/investment Expenses (should include detailed drawing if appropriate, BQ, at least 3 quotation for each capital item-machinery/service or for each batch of items or for turnkey)

- List of all cost items constituting the full investment budget
- 3 quotations for each item and selection of best quotations (quality vs cost)

Supply chain of raw materials and its development

Location of source of raw material

- What is/are the raw material(s) procured by the business?
- Where is the raw material procured from?

Total raw material needed and annual growth

- How much raw material does the business take in monthly?
- How much is the monthly cost of the raw material?
- As result of the investment, how much more raw material the business plans to procure?
- Annually, how the business plans to grow it's intake during the coming 5-10 years?

Number of HH expected to be supplying and unit under production

- What is average yield per Ha/unit of the procured raw material?
- How much is the average area/unit of production per household?
- How many households currently sell raw material to the business?
- After the investment, how many more households will be required to produce the raw material?

Realistic budget for rural Households (HH) producing the raw material (per unit e.g. ha, animal etc)

- What is the average budget of the households producing the raw material (please provide comprehensive crop budget per Ha, including output volume and value, input description and cost, external and household labour cost, and total revenues)?

Need for input and its availability for supplier of raw material

- What services and inputs the raw material producers require?
- Are these inputs available in satisfactory quantity and quality to the current producers?
- Are the inputs available to increased amount of producers after the investment?
- How the inputs can be improved in collaboration with the business?

Need of finance for the HH and type (in kind, cash) source of financing (promoter/investor, financial institutions, credit guarantee and joint and several liability) (who is doing it and financing it)

- For both existing and new raw material producer HHs, what is the need of financing to sustain and improve the production?
- What are the current and potential sources of financing to the HHs?
- How can the project and the business help HHs access financing?

Type of buying arrangement entered into with supplier e.g. group contract, individual contract, buy back with inbuilt credit in kind etc.

- Are the HHs organized to groups or villages or led by lead farmers?
- Who helps the groups in group management and with technical issues?
- Is the business dealing with groups of HHs or with individual HHs?
- Is the business signing contracts with the HHs to buy the raw material?
- Is the contract signed at time of purchase, in the beginning of the season or for longer term?
- How is the price of raw material set in the contract?
- Is the business lending inputs to HHs to increase quality and quantity (give input against reduced cost of purchase)?
- How is the arrangement between the business and the required new producer households foreseen?

Need of training the suppliers of raw material (who is doing it and financing it)

- Is there need of training the existing raw material producers?
- Is there need of training the new raw material producers after investment?
- Is the business helping the producer households technically?
- What are the total required training items, what is their cost and what is the source of funding (capital, lending, public resources, producer households, project funds)?
- Who will provide the trainings?

Need of R&D for activities undertaken by the supplier of raw materials (who is doing it and financing it)

- Do the current raw material producers require improved inputs or agricultural technology?
- Do the new raw material producers require improved inputs or agricultural technology?
- What are the required R&D activities?
- What is the foreseen impact of the R&D activities?
- What is the total cost of the R&D, and what is the source of funding (business capital, lending, public resources, producer households, project funds)?
- Who will be responsible of the R&D and what is the timeframe?

Need for improvement of public infrastructure e.g. repair of bridge, retaining wall pivotal stretches of roads, drainage etc (who is doing it and financing it, business contribution, CDF?)

- What is the condition of public infrastructure supporting the business directly?
- What is the requirement of infrastructure construction/repairs works supporting the business directly?
- What is the condition of public infrastructure supporting the raw material producers?
- What is the requirement of infrastructure construction/repairs works supporting the raw material producers?
- What are the total required infrastructure works and their cost?
- Who will be responsible of the works and what is the source of funding (business capital, lending, public resources, public works with producer households, project funding)?

Operations management

Company Organization (structure)

- What is the management and personnel organization of the business?

Management Team

- Who have management tasks in the business? What are the individual tasks?

Training needs of Management Team and Estimated Input and cost

- What training has been provided to the business?
- What training is currently needed to the management team?
- Detailed list of required training items, including total costs and proposed schedule
- Source of funds for the training items

Financial Analysis (supporting excel template provided by project)

Financial Assumptions with and without additional investment

- Price and quantity of produce sold per annum or per season
- Price and quantity of raw material purchased per annum or per season
- Running costs of the production per annum or per season, including electricity, water, fuels, transportation, maintenance costs, marketing costs, and any other cost
- Estimated value addition per annum or per season (excluding depreciation, labour and tax costs)
- Estimated labour and tax costs per annum or per season
- Estimated gross profit per annum or per season (excluding building and machinery depreciation cost)
- Evaluation of annual depreciation of the buildings, machinery and vehicles (investment cost divided by estimated no of years of use = investment depreciation cost for each item)
- Estimated net profit per annum or per season (including all costs and revenues)

Financing Requirement for upgrading or establishment of the production (house, machinery, vehicles, utility installations, trainings, etc.)

- Required buildings and their cost
- Required machinery and their cost
- Required vehicles and their cost
- Required installation services and their cost
- Required trainings and their cost
- Total cost of upgrading / establishment of the production facility

Valuation of Business (evaluation of in kind contribution value by project authorized valuer)

- Value of existing buildings
- Value of existing machinery
- Value of existing vehicles
- Total value of existing business, total value of business including investment and existing business

Financing Plan and Cash Flow estimation

- Enterprise capital contribution to investment
- Enterprise dept contribution to investment
- Grant contribution to investment
- Financing plan and payment schedules
- Plan of revenues and estimated cash flows per production season, ensuring availability of operational budget/working capital
- Estimated period for Return Of Investment

<i>Annexes: Financial analysis supporting excel table</i>

Annex 2 of the LEG Manual. Investment Summary/Evaluation by independent Agribusiness Specialists

The NPMU contracted External Reviewer Agribusiness Specialists will prepare an Investment Summary for Each Investment Proposal (3-5 pages). The summary will introduce and evaluate viability of each aspect of the Proposal. In the conclusion the Specialists will specify if there are issues which need to be addressed by the Business Entity before final financing is provided.

I. COMPANY DETAILS

II. DUE-DILIGENCE

III. PROPOSED INVESTMENT

1. Company Overview
2. Market study and Marketing Strategy
3. Investment Plan and Milestones for Reimbursing LF
4. Financial and technical viability

IV. DEVELOPMENT IMPACT OF THE INVESTMENT

1. Job Creation
2. Capacity Building
3. Increased Income for HH (poor and non poor)
4. Working condition

V. CONCLUSION

Annex 3 of the LEG Manual. Format for Rapid Screening of Proposals by the EoI

Sub-project Registration Number: _____ Name of Applicant: _____

Sub-project Title: _____

Total Sub-project Cost: _____

Total Grant Amount Requested: _____

Criteria for assessment of compliance with acceptance rules:

1. Complete sub-project application form is attached: ☐
yes ☐ no

(Annex 1)

2. The business entity meets the defined eligibility criteria: ☐
yes ☐ no

3. Sub-project duration is within the announced limits: ☐
yes ☐ no

4. Requested CBG grant amount is within announced limits: ☐ yes
☐ no

5. Requested budget items are aligned with objectives: ☐
yes ☐ no

(Budget vs. Implementation plan in Annex 1)

6. Required business entity documentation is provided:
yes ☐ no

☐

[NOTE: If the Application does not meet all of these criteria of compliance with acceptance rules, the Application should not go through technical review]

The sub-project is accepted for TAC Technical Review:
☐ no

☐ yes

Comments:

Signature of the Screener: _____ Date: _____

Annex 4 of the LEG Manual. Draft Proposal Evaluation Report by TAC

PROPOSAL EVALUATION REPORT

Sub-project Registration Number: _____ **District Name:** _____

Sub-project Title:

1. Evaluation of Application according to each specific criteria:

Criteria	Out of maximum Points
----------	-----------------------

Development impact (maximum 40 points)		
1	Poverty reduction and nutrition impact to smallholder households in the supply network	___ / 15
2	Employment creation both at the facility and on-farm	___ / 10
3	Inclusion of women and youth	___ / 15

Sub-project innovation and replication potential (maximum 30 points)		
4	Climate Smart Agriculture and long term environmental sustainability of supply chains	___ / 10
5	Long term economic/financial sustainability (profitability) of the investment	___ / 10
6	Potential for further expansion of the operation by the business entity	___ / 10

Beneficiary contribution and technical capacity (maximum 20 points)		
7	Technical capacity of the investor and staff	___ / 10
8	Level of in-cash contribution above the minimum	___ / 5
9	Level of in-kind contribution	___ / 5

Lead Enterprise on-site environmental impact (maximum 10 points)		
10	Consideration for mitigation of pollution including respective treatment plans	__ / 10
Total		__ / 100

2. Which are the strengths of the proposal related to the subject of intervention related to:

Development impact aspects	Technical, Financial and Capacity Aspects

3. Which are the weaknesses of the proposal related to the subject of intervention related to:

Development impact aspects	Technical, Financial and Capacity Aspects

4. Other comments/suggestions.

DECLARATION OF RESULTS OF THE TECHNICAL EVALUATION

[NOTE: *This part of the report should always be in a separate page, in order to be easy taken off from the report when the Applicant requests the report*]

Funding of this LEG sub-project proposal is *(check the appropriate box below)*:

Points received	Level of recommendation	
- From 0 – 70 points	Not recommended	<input type="checkbox"/>
- From 70 – 80 points	Recommended with reservation	<input type="checkbox"/>
- From 80 – 90 points	Recommended	<input type="checkbox"/>
- More than 90 points	Strongly recommended	<input type="checkbox"/>

Name of the Technical Reviewer: _____

Signature: _____

Date:

Annex 5 of the LEG Manual: Format for Field check of preselected Proposals

FIELD CHECK - VERIFICATION OF PROPOSALS

I. SUB-PROJECT INFORMATION <i>[to be completed in office]</i>					
Sub-project Number		District:			
		Location:			
Sub-project Title:					
Principal Applicant:					
Contact information of Principal Applicant:	<i>[address, phone, fax, email]</i>				
Sub-project Total Cost:	_____	LEG Grant:	_____		
		Beneficiary Contribution:	_____		
Sub-project duration: <i>[in months]</i>		Sub-project start: <i>[mm, yy]</i>		Sub-project Completion: <i>[mm, yy]</i>	

II. VERIFICATION RESULTS	
Things to be verified: <i>[to be completed in office]</i>	Result of the verification: <i>[to be completed in the field]</i>
1.	
2.	
3.	
4.	
5.	
6.	

....	
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III. ADDITIONAL NOTES AND COMMENTS	
The verification team	For the beneficiary

<p style="text-align: center;">Verification Team:</p> <p>Name1 and Signature: _____</p> <p>Name2 and Signature: _____</p> <p style="text-align: right;">Date ____/____/201__</p>	<p style="text-align: center;">Principal Applicant:</p> <p style="text-align: center;">Name and Signature:</p> <p>_____</p> <p style="text-align: right;">Date ____/____/201__</p>
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Annex 6 of the LEG Manual: Procurement Plan

Procurement Items	Quality Specifics	Time of procurement	Unit	Quantity	Unit price	Total cost
TOTAL COST						2650 US\$
1) Input materials						Total: 250
1.1 Example: Plastic bags for nursery	20L plastic bags	February	Bag	500	0.5 US\$	250 US\$
1.2						
1.3 Nursery construction materials						
1.4 Drying ground construction materials						
1.5 etc etc						
...						
2) Machineries, equipment						Total: 2000
2.1 Example: Tractor	Wheelbase: min. 250 cm - max. 270 cm Weight: min. 4400 kg – max. 5000 kg Engine: min. 5.0L – max. 6.0L diesel etc.	January 2018	Machine	1	2000 US\$	2000 US\$
2.2						
2.3						
2.4						
2.5						
...						
2) Services						Total:

2.1 Example: Tractor, plastic bags, construction materials etc. transport to village	1 truck for 1 day	January 2018	1 Trip	1	400 US\$	400 US\$
2.2						
2.3						
2.4						
2.5						
...						

Annex 7 of the LEG Manual: Grant Agreement template

GRANT AGREEMENT
BETWEEN SACP AND GRANT RECIPIENT

Competitive Small Grant

Agreement No:	Sub-project No.
----------------------	------------------------

Parties	
Party 1	Principal Applicant representing the Grant Winning Business Entity
Party 2	SACP National Project Management Unit

Contact Details		
	Principal Applicant	SACP NPMU
Name:		
Address:		
Phone:		
Fax:		
E-mail:		
Bank account number:		

The application to the SACP LEG funding for the grant sub-project defined in the following schedule and hereinafter known as the “sub-project” has been approved by the SACP Investment Committee, subject to the terms and conditions contained in this Agreement.

SUB-PROJECT DESCRIPTION	
Sub-project title:	
Agreement commencement date:	Agreement completion date:
Grant Agreement amount:	Amount of beneficiary contribution:
Items to be financed by the grant: <i>See Annex 1 to this Agreement</i>	

THE AGREEMENT

It is agreed between the following Parties

Party 1: (Principal Applicant, representing the Recipient)

Party 2: (Director, representing SACP NPMU)

1. PURPOSE

1.1 With the support of the International Fund for Agriculture Development (IFAD), SACP project has established the Lead Enterprise Matching Grants (LEG) scheme to increase incomes of rural farmer households by improving their market opportunities, supply provision and available services. The LEG scheme is coordinated and managed by the SACP National Project Management Unit (NPMU).

1.2 The grant funds provided to the Recipient by the SACP shall be used exclusively for the purposes specified in the proposal submitted by _____ (Applicant) based on the call for proposal issued _____ (date).

1.3 When a discrepancy exists between the proposal documents and this Agreement, this Agreement shall take precedence. The Recipient must request the NPMU approval prior to implementing any substantive changes in the nature of grant funded activities. In the event Grant funds are not used for these purposes within the grant period specified on page 1 of this Agreement or within any approved extension of this time period, the funds shall be returned to NPMU.

1.4 Grant funds cannot be transmitted to other institution or person, as a sublease or a grant. Grant funds cannot be used to cover tax payments, expenses or other compensations for business partners.

2. RESPONSIBILITY

2.1 The Recipient is responsible for ensuring that the sub-project is administered in accordance with the terms of this Agreement and all applicable laws. The tax consequences of this award on the grant recipient and the fulfillment of these are the responsibility of the Recipient.

2.2 NPMU sends all relevant correspondence to the Principal Applicant, through contact details pointed out at the first page of this agreement. NPMU reserves its' right to terminate financing in the case if the Principal Applicant terminates participation in the project.

3. PROCUREMENT

3.1 Procurement of goods and services shall be governed by the provisions of Annex 1 (Procurement Plan as part of the Grant Application) to this Agreement. All Grant implementation related procurement is fully under responsibility of the Recipient and will be carried out in accordance with procedures satisfactory to the Government of Zimbabwe and consistent with IFAD Project Procurement Guidelines. The role of the NPMU is to review, supervise and guide the procurement carried out by the Recipient, thereby ensuring that integrity, transparency and accountability are maintained. All goods and services procured by the Recipient using the proceeds of the grant shall be used exclusively for the purposes of the project as stipulated in the present Grant Agreement.

3.2 The Recipient shall ensure that all grant financed goods shall be insured, as necessary, against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation. The Recipient shall ensure that any facilities relevant to the Activities are at all times operated and maintained in accordance with appropriate practices and that any repairs or renewals of such facilities are promptly made as needed.

3.3 The Recipient agrees that: (i) a specific procurement plan (Procurement Plan as part of the Grant Application) details (1) the procurement items, (2) quality specifications for each item, (3) the timing of procurement for each item, (4) costs per item and total costs; (iii) the Recipient will procure goods and services, as planned in the Grant Agreement, following the Procurement Manual issued by the project; (iv) the Recipient will prepare for procurement of each item by collecting three competitive quotations when possible, agreeing with the suppliers and service providers about purchase details including time and cost; (v) when procuring, the Recipient shall pay attention to the need for economy, efficiency, transparency, timing and quality of the procured goods and services; (vi) the Recipient will produce evidence of procurement and quotations, as per Grant Agreement, as part of the mid-term and final report to be submitted to NPMU; (vii) The Project may conduct a random audit of LEG investments by an external auditor.

4. PROPERTY OF GOODS

4.1 The applicant will follow the stipulated use of goods (both during and after the completion of the sub-project) as agreed in the Grant Agreement. All purchased goods (including materials, equipment, data and information) are the property of the Project during the implementation of the sub-project. The recipient (beneficiary) would enjoy the property right for the purchased goods only after a successful completion of the sub-project. The recipient is responsible for taking care of all property and providing for the proper maintenance of equipment. If stipulated in the Grant Agreement the Grant Recipient shall insure the assets procured with grant funding. In the case of NPMU's termination of the grant as a result of violation of the Grant Agreement, or the termination of the sub-project by the grant recipient, the NPMU may be instructed to repossess the equipment. Repossessed equipment would be sold and proceeds, less any sales costs, would be deducted from the grant beneficiary financial obligations under the agreement, and returned to the grant fund for reallocation.

5. PAYMENT OF GRANT

5.1 The grant disbursements will be made to an account in a commercial bank, registered and managed by the business entity. For each payment from the grant amount, the grant recipient will provide evidence that the money has been receipted and used according to the contract.

5.2 The grant will be disbursed in 2-3 tranches as agreed between NPMU and the Principle Applicant. The first tranche payment will be made as an advance payment immediately after approval and signing of the Grant Agreement by all parties. Further tranche payments would be advanced on the basis of (i) beneficiary submitted request, together with (ii) documented evidence for the use of disbursed grant and beneficiary funds as per Grant Agreement, (iii) milestone progress report by Grant Recipient and milestone monitoring report of NPMU, and (iv) disbursement of Lead Enterprise counterpart financing.

5.3 Upon receiving a milestone progress report that satisfactorily describes the fulfillment of the milestone targets, the NPMU will review the report, conduct a field visit, and confirm the correct use of the previous tranche and authorizes in writing the payment of the next tranche. A payment order is prepared by the NPMU and signed by the NPMU Director. This "Order of Payment" is to be submitted together with the annexed (i) "Request for Payment" from the beneficiary, (ii) summary table of the beneficiaries "Statement of Expenditure" (original) for the use of previous tranche, and (iii) the milestone monitoring report. Upon submission, the NPMU will make the transfer of money from the Project bank account to the beneficiary's account.

5.4 The in-cash beneficiary contribution needs to be disbursed during implementation of the first milestone. Second tranche of grant amount can be requested for only after full disbursement of beneficiary in-cash contribution, following the agreed work plan.

5.5 The grant recipient shall notify the NPMU in writing of any anticipated delays in achieving the established milestones and the reason. The scheduled payments for the next tranche may be withheld or delayed in the event that the grant recipient's expenditure reports show a larger cash balance than anticipated. At any time during the grant period, the grant recipient may request the NPMU to revise the "Payment Schedule" to better reflect the current work plan and to better meet the grant recipient's cash flow needs, but this request should be justified accordingly.

6. ACCOUNTING, AUDITS AND FINANCIAL REPORTS

6.1 The NPMU will give technical guidance to Principal Applicants in preparing the statement of expenditure reports, upon which Principal Applicants can request the subsequent disbursement. The NPMU holds overall responsibility for ensuring timely disbursements, that the appropriate procurement procedures are observed, and that the necessary accounting and audit procedures are carried out as per general requirements of the sub-project.

6.2 Grant beneficiaries must be fully aware of their financial obligations under the Grant Agreement and make appropriate provisions for meeting those requirements. The Grant Agreement requires that funds must be returned in the event of termination of the Grant Agreement and that any uncommitted funds upon completion be returned to the NPMU.

6.3 The grant beneficiary will submit to the NPMU the statement of expenditure, accompanied with original supporting documents (i.e. invoices, receipts, written declarations, etc.). The originals must be filed by the NPMU and kept for as many years as specified in the national legislation. The beneficiary shall provide documentary evidence of both grant and beneficiary cash contributions to the sub-project. The NPMU may withhold scheduled payments or require that grant activities be suspended if statements of expenditure reports are overdue or the documentary evidence on the use of grant funds is insufficient.

6.4 The grant beneficiary shall prepare a final grant report at the end of the grant sub-project in the format mentioned in Annex 2 reflecting the operations, resources and expenditures related to the sub-project. The grant beneficiary shall submit a copy of the said final grant report as soon as available, but in any case not later than 45 days after the completion of the sub-project.

6.5 Grant expenditures will be audited, as deemed appropriate, within the overall NPMU financial audit process. The grant beneficiary will co-operate fully with the NPMU auditor and will make available to the auditor whatever records, documentation and other information requested by the auditor in connection with the audit of the SACP funds. Business entities and Principal Applicants will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to the legislation in force.

7. REPORTING, MONITORING AND EVALUATION

7.1 A well-designed monitoring and evaluation system is critical for ensuring timely and successful implementation of grant-funded sub-project activities and for enhancing their impact through systematic analysis and dissemination of lessons learned. The NPMU is responsible for the overall monitoring and evaluation grant-funded sub-projects, through reviews of all progress reports and on-site visits.

7.2 The monitoring and evaluation of the grant implementation includes five steps: (i) initial monitoring visit; (ii) baseline evaluation; (iii) milestone reports and subsequent monitoring visits; (iv) final monitoring review and (v) final evaluation. The NPMU is responsible for all monitoring and evaluation, and the Grant recipient is responsible for submission of milestone reports and the final report. Each proposal will have clearly defined milestones, final targets and associated performance indicators, against which progress can be assessed. These indicators are agreed between the NPMU and the applicant, as part of the Grant Agreement.

7.3 Initial monitoring visit is performed and reported by the NPMU Eol committee, prior to submitting the proposal to the technical review and scoring by the TAC. The main purpose is to verify that the resources and capacities presented in the proposal are actually available to the Applicants.

7.4 Baseline evaluation is performed after start of the grant implementation, to document the baseline situation of the grant winning businesses including their economic impact among farmer households. The final impact evaluation will be conducted against results of the baseline evaluation.

7.5 Milestone monitoring is (i) initiated by Grant recipients submission of milestone progress report, describing progress of implementation against Grant Agreement's listed milestone indicators. Subsequently, (ii) the NPMU will review the milestone progress report prepared and submitted by the Grant recipients, and (iii) perform a field visit to confirm the reported implementation. Within 30 days after the submission of milestone progress report, (iv) the NPMU will submit a milestone monitoring report for information of PSC and Grant Recipient, describing results of the desk review and field visit. The milestone monitoring report of the NPMU is a requirement for disbursement of the next tranche of the Grant. The NPMU may contract independent evaluators to support with milestone reviews.

7.6 Final monitoring review is initiated by (i) Grant recipient's submission of final report, describing the final outcomes of the implementation against Grant Agreement's listed indicators. (ii) The NPMU will review the final report and (iii) perform a field-check of implementation, and (iv) submit a final monitoring report to PSC and Grant Recipient.

7.7 Final Evaluation will be conducted by NPMU contracted independent evaluators, to assess whether the sub-project and Grant Scheme in general have achieved intended results in terms of poverty reduction, creation of farmer household market opportunities, increased incomes, employment, technology development and dissemination, productivity improvements, skills development and improved market access. The independent evaluators will compare the situation with baseline evaluation results, and will have full access to baseline data, milestone documents and all Grant Beneficiary production sites. The results of the LEG scheme will be documented by the evaluators, with the aim of showcasing good activities. The NPMU will disseminate the lessons learnt for replication/adoption by others.

8. CLOSE-OUT OF GRANT

8.1 Upon receipt of final reports from the Recipient, the NPMU shall initiate procedures to close-out the grant. Close-out procedures include obtaining and approving all required statement of expenditure and progress reports, ensuring that any unexpended grant funds are refunded to SACP, and communication of close-out through a close-out letter from NPMU to the Grant recipient. All Grant requirements remain in full force and effect until the grant recipient receives the close-out letter from SACP indicating that all obligations have been satisfied.

9. SUSPENSION AND CANCELLATION

9.1 The NPMU holds right to terminate the grant at any time, if: (i) the Recipient does not follow provisions of the Grant Agreement; (ii) the Recipient has significant delays in the implementation of the sub-project and the NPMU believes that the sub-project cannot achieve its objectives; (iii) the Recipient fails to submit complete financial report; (iv) the Recipient fails to submit copies of financial documents to complete financial reporting; (v) no proper accounting exists in financial records; (vi) false documents or information is provided; (vii) the Grant is used to finance expenses not approved by the NPMU, and conducting activities other than approved; and (viii) the Principal Applicant terminates engagement in the sub-project.

9.2 In the case of a cancellation of the Grant, all unused funds received under the sub-project shall be returned to the SACP account. All amounts, which have not been paid, shall be cancelled by the NPMU and all equipment purchased by grant financing shall be returned to SACP. In the case of misuse of grant funds, the Principal Applicants will be liable for repaying any grant funds found to have been misused and all steps will be taken for recovery according to the legislation in power.

10. SETTLEMENT OF DISPUTES

10.1 The parties to this contract will use their best effort to settle amicably any dispute, controversy, or claim arising out of or relating to this Grant Agreement. Any such dispute, which is not settled by agreement of the parties thereto, will be finally settled in the applicable Court of the area in which the Grant is executed.

11. LIMITATION AND CHANGES

11.1 It is expressly understood that the SACP has no obligation to provide other or additional support to the Recipient for the purposes of this activity or any other purposes. Any changes, additions, or deletions to the terms and conditions stated in this Grant Agreement may be made in writing only and must be jointly approved by the SACP and the Recipient.

12. FORCE MAJEURE

12.1 Neither the Recipient nor the IFAD project will be responsible to the other for delay or failure in performance of any of the obligations imposed by this Agreement when such failure is occasioned by unintentional fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, court order or government interference, civil commotion, riot, war, strikes, and labor disturbances, beyond the reasonable control and without the fault or negligence of either of the Recipient or SACP.

13. CORRUPT AND FRAUDULENT PRACTICES

13.1 IFAD requires that all beneficiaries of IFAD funding, including the employer and any bidders, implementing partners, service providers, suppliers, sub-suppliers, contractors, sub-contractors, consultants, sub-consultants, and any of their agents (whether declared or not) and personnel observe the highest standards of ethics during the procurement and execution of such contracts, and comply with IFAD's Policy on Preventing Fraud and Corruption in its activities and operations, revised on 12 December 2018 (EB 2018/125/R.6, hereinafter "IFAD's Anti-Corruption Policy").

13.2 For the purposes of these provisions, and consistent with IFAD's Anticorruption Policy, the terms set forth below are defined as follows, and sometimes referred to collectively as "prohibited practices":

- (a) "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value in order to improperly influence the actions of another party;
- (b) "fraudulent practice" is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party in order to obtain a financial or other benefit or to avoid an obligation;

- (c) “collusive practice” is an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party;
- (d) “coercive practice” is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party, to improperly influence the actions of that or another party;
- (e) “obstructive practice” is (i) deliberately destroying, falsifying, altering or concealing evidence that may be material to an investigation by the Fund or making false statements to investigators in order to materially impede an investigation by the Fund; (ii) threatening, harassing or intimidating any party in order to prevent that party from disclosing its knowledge of matters relevant to an investigation by the Fund or from pursuing such an investigation; and/or (iii) the commission of any act intended to materially impede the exercise of the Fund’s contractual rights of audit, inspection and access to information.

13.3 The Fund will deny approval of a proposed contract award if it determines that the firm or individual recommended for award, or any of its personnel or agents, or its sub-consultants, sub-contractors, service providers, suppliers, sub-suppliers and/or any of their personnel or agents, has, directly or indirectly, engaged in any of the prohibited practices in connection with an IFAD-financed and/or IFAD-managed activity or operation, including in competing for the contract.

13.4 In accordance with IFAD’s Anticorruption Policy, the Fund has the right to sanction firms and individuals, including by declaring them ineligible, either indefinitely or for a stated period of time, to participate in any IFAD-financed and/or IFAD-managed activity or operation. This may include ineligibility to: (i) be awarded or otherwise benefit from any IFAD-financed contract, financially or in any other manner; (ii) be a nominated sub-contractor, consultant, manufacturer, supplier, sub-supplier, agent or service provider of an otherwise eligible firm being awarded an IFAD-financed contract; and (iii) receive the proceeds of any loan or grant provided by the Fund.⁴⁰ The Fund also has the right to unilaterally recognize debarments by any of the International financial Institutions that are members to the agreement for mutual enforcement of debarment decisions if such debarments meet the requirements for mutual recognition under the agreement for mutual enforcement of debarment decisions.

13.5 In addition, the Fund has the right to, at any time, declare a misprocurement and/or the ineligibility of any expenditures associated with a procurement process or contract if it determines that prohibited practices occurred in connection with this procurement process or contract and that the borrower/recipient has not taken timely and appropriate action, satisfactory to the Fund, to address such practices when they occur.

13.6 Bidders, suppliers, consultants, contractors, and their sub-contractors, sub-consultants, service providers, suppliers, agents and personnel, are required to fully cooperate with any investigation conducted by the Fund into possible prohibited practices, including by making personnel available for interviews and by providing full access to any and all accounts, premises, documents and records (including electronic records) relating to the relevant IFAD-financed and/or IFAD-managed operation or activity and to have such accounts,

⁴⁰ For the avoidance of doubt, a sanctioned party’s ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

premises, records and documents audited and/or inspected⁴¹ by auditors and/or investigators appointed by the Fund.

13.7 The bidder is obliged to disclose relevant prior sanctions and criminal convictions and any commissions or fees paid or are to be paid to any agents or other party in connection with this procurement process or the execution of the contract.

13.8 The bidder shall keep all records and documents, including electronic records, relating to this procurement process available for a minimum of three (3) years after notification of completion of the process or, in case the bidder is awarded the contract, execution of the contract.

14. SEXUAL HARASSMENT, SEXUAL EXPLOITATION AND ABUSE

14.1 The Fund requires that all beneficiaries of IFAD Funding, including the employer and any bidders, implementing partners, service providers, suppliers, sub-suppliers, contractors, sub-contractors, consultants, sub-consultants, and any of their agents (whether declared or not) and personnel comply with IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. For the purpose of this provision, and consistent with IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse as it may be amended from time to time, the terms set forth below are defined as follows:

- (a) Sexual harassment means “any unwelcome sexual advance, request for sexual favour or other verbal, non-verbal or physical conduct of a sexual nature that unreasonably interferes with work, alters or is made a condition of employment, or creates an intimidating, hostile or offensive work environment.
- (b) Sexual exploitation and abuse means “any actual or attempted abuse of a position of vulnerability, differential power, or trust, for sexual purposes, including, but not limited to, profiting monetarily, socially or politically from the sexual exploitation of others (sexual exploitation); the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions (sexual abuse)”.

14.2 Employers, suppliers and bidders shall take all appropriate measures to prevent and prohibit sexual harassment and sexual exploitation and abuse on the part of their personnel and subcontractors or anyone else directly or indirectly employed by them or any of subcontractors in the performance of the contract. Purchasers, suppliers and bidders shall immediately report to the purchaser or IFAD any incidents of sexual harassment and sexual exploitation and abuse arising out of or in connection with the performance of the contract or prior to its execution, including convictions, disciplinary measures, sanctions or investigations. The purchaser may take appropriate measures, including the termination of the contract, on the basis of

⁴¹ Inspections include all fact-finding activities deemed relevant by the Fund to address allegations or other indications of possible prohibited practices. Such fact-finding activities may include, but are not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data or information (whether in hard copy or electronic format) deemed relevant for the investigation or audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verifications of information. It is the responsibility of the firm or individual under inspection to ensure effective compliance with their duty to cooperate vis-à-vis any potential local laws or regulations or other potentially conflicting obligations.

proven acts of sexual harassment, sexual exploitation and abuse arising out of or in connection with the performance of the contract.

14.3 The bidder or subcontractor or supplier is required to disclose any relevant prior sanctions, convictions, disciplinary measures or criminal records.

15. MONEY LAUNDERING AND TERRORIST FINANCING

15.1 The Fund requires that all beneficiaries of IFAD funding or funds administered by IFAD, including the employer, any bidders, implementing partners, service providers and suppliers, observe the highest standards of integrity during the procurement and execution of such contracts, and commit to combat money laundering and terrorism financing consistent with IFAD’s Anti-Money Laundering and Countering the Financing of Terrorism Policy.

This Agreement was executed on:

{Date/Month/Year}

Signed by:

Principal applicant

{Insert name of Principal Applicant}

Signed by:

NPMU director

{Insert name of the NPMU director}

Annex 1 of the Grant Agreement: *Investment Proposal* (see template above, manual Annex 1)

Annex 2 of the Grant Agreement: Sub-project reporting templates

APPLICANT'S MID-TERM REPORT

Project Title:			
Project Number:	[as in the contract]		
Report period:	[dd/mm/yy - dd/mm/yy]		
Total Project Cost:	[as in the contract]	Total Grant:
	Spent Grant amount:
Reached implementation plan <u>outputs</u> as per Grant Agreement:			
Problems in the implementation and possible solutions:			
Notes on coming phase II implementation:			
Request to receive 2nd tranche of grant amount:			
Principal Applicant:			
Signature and date:			

[FOR OFFICIAL ONLY]	
Received by the NPMU on date:	[dd/mm/yy]
Name and Signature of NPMU Specialist:	

APPLICANT'S FINAL REPORT

Project Title:			
Project Number:	[as in the contract]		
Report period:	[dd/mm/yy - dd/mm/yy]		
Total Project Cost:	[as in the contract]	Total Grant:
	Spent Grant amount:
Reached implementation plan <u>outputs</u> as per Grant Agreement:			
Problems in the implementation and possible solutions:			
Assessment on sub-project impact on productivity and incomes:			
Notes on future work:			
Request receive ownerships rights to purchased goods:			
Principal Applicant:			
Signature and date:			

[FOR OFFICIAL ONLY]	
Received by the NPMU on date:	[dd/mm/yy]
Name and Signature of NPMU Specialist:	

STATEMENT OF EXPENDITURE

To be submitted with both mid-term and final reports

Grant Beneficiary: Grant Number:

.....

Principal Applicant: Reporting Period:

.....

No	Approved Budget Items	Total Planned Cost	Incurred Costs	Date of receipts	Difference (Remaining funds)	Notes on Differences
I)	Consumable materials (inputs)					
II)	BDS and Training					
III)	Non-consumable materials (equipment and machines)					
C.	Total Cost					

Principal Applicant name:

Signature: Date:

APPENDIX 3: Lead Enterprise and Value Chain potential, Agri-Export Statistics in Zimbabwe

In course of the Project Design mission for the SACP project in Zimbabwe, the Project Delivery Team conducted a survey of Agribusiness SMEs regarding their business models, commodities, number of linked smallholder farmers, locations, as well as potential links/collaboration with the SACP.

The PDT through national private consultants surveyed twenty-two enterprises and the summary of the results are presented below. In addition, as part of the SACP targeting mechanism, the SACP PIM describes how market access and agribusiness development was incorporated into the SACP geographic targeting system, implemented jointly with the government Agritex office.

The enterprises surveyed included:

- | | |
|---|--|
| 1. Afrideli Private Limited | 12. Makonde Nutrition |
| 2. Buntu Foods | 13. Masvingo Food Commodities Co-operative Company |
| 3. Bloombest Investments (Pvt) Ltd | 14. Nyangani Farm Produce |
| 4. Brandhold Investments | 15. Primus Energy |
| 5. Fresh Energy Enterprises | 16. Sandringham Feeds |
| 6. Gayarite Limited | 17. Shek-Shalom Agribusiness |
| 7. Greens Agriculture Co | 18. Simton-SG Ltd |
| 8. Galaway Trading t/a Homemade Peanut Butter | 19. Threefold Investment |
| 9. Hutano Foods (Pvt Ltd) | 20. Zadzamatura Ltd |
| 10. J Vicks Farm Produce | 21. Veterinarians for Livelihood |
| 11. Kitchen Food Manufacturers (Pvt) Ltd | 22. Zimbabwe Super Seeds |

The 22 agribusinesses all responded they are interested to collaborate with a programme with components such as those foreseen in SACP. They all mentioned that access to finance and in particular forex are major issues in the current macroeconomic context of Zimbabwe, hindering the agribusinesses from investing and expanding. Furthermore, reliable supply of input materials is a constraint. The SACP project instruments are designed to address these issues for the Agribusiness enterprises, and thereby effectively attract them to join the value chain development effort in SACP clusters.

The agribusinesses surveyed are involved in a broad range of commodities, including grains, beans, legumes, nuts, horticulture, baobab, fruits, poultry, goats, fisheries, potatoes, onions, vines, fruits, herbs and spices. Just 5 out of the surveyed are microenterprises without significant supply chain networks, while the other 17 are either “lead enterprises” in value chains or microenterprises that have a business model linked to smallholders. The volume of the agribusinesses’ smallholder supply chains ranges from small, just 50 suppliers, to one very large company with 50,000 supplier farmers. The most have supplier networks of between 300-2000 smallholders, which is appropriate scale for the type of partners SACP is looking for collaboration.

The PDT also made statistical analysis of agriculture commodity export, which shows that the overall promising agri-export sector collapsed in the years around 2007-2011. Thereafter the tobacco sector has been an exceptional success story for Zimbabwe, and more slowly, in the last two-three years other export commodities have started to pick a growth trend.

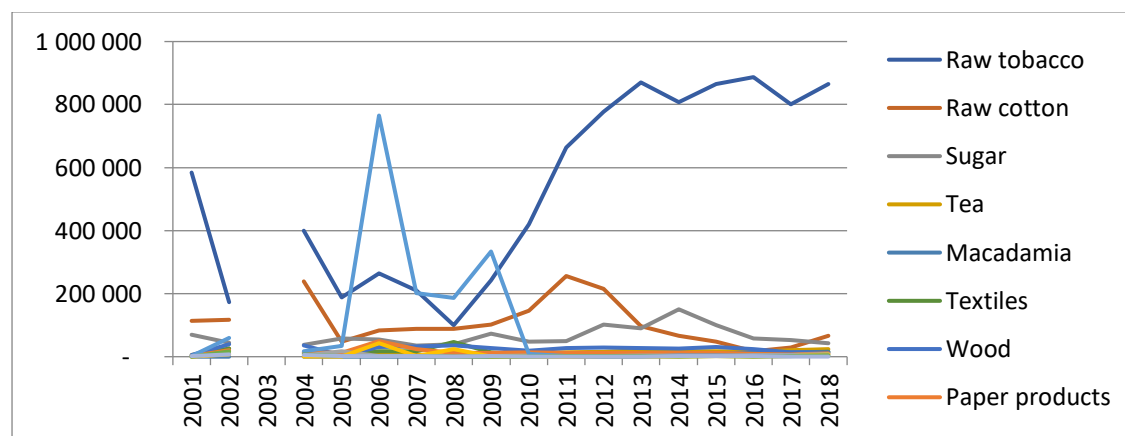


Table 1: Agriculture commodity exports from Zimbabwe

Data Source: ITC Trade Map (www.trademap.org)

Analysis by IFAD SACP design PDT

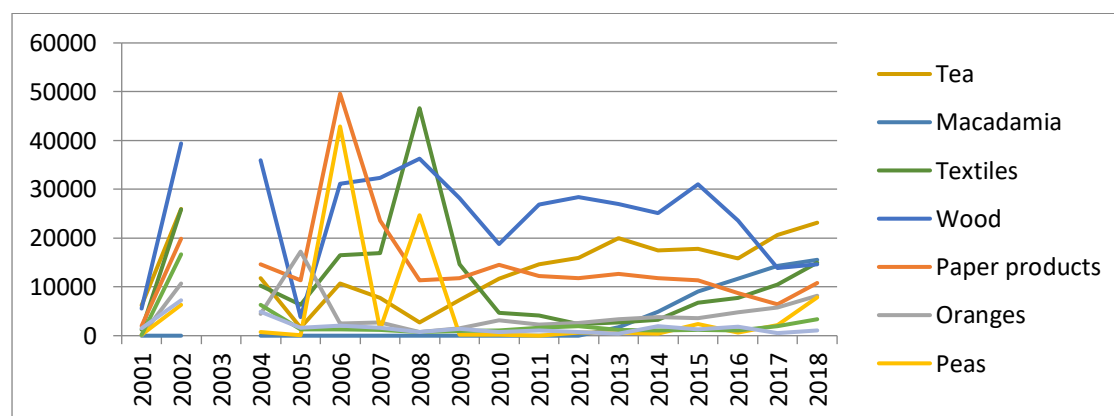


Table 2: Reviving agriculture commodity exports from Zimbabwe

Data Source: ITC Trade Map (www.trademap.org)

Analysis by IFAD SACP design PDT

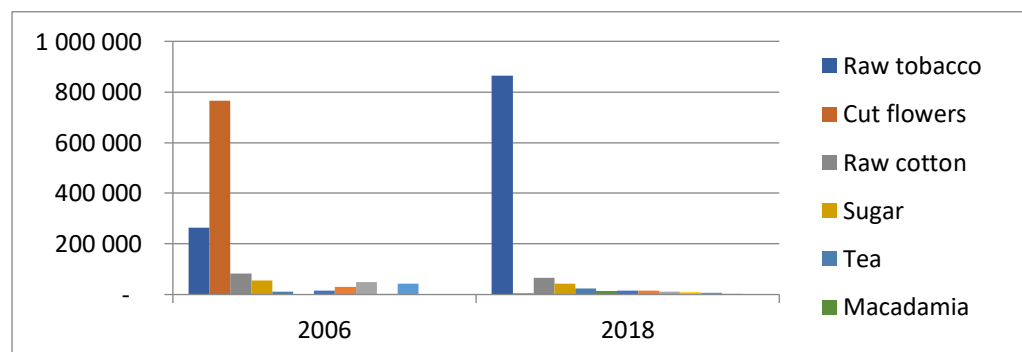


Table 3: Zimbabwe main exports comparison 2006 vs 2018

Data Source: ITC Trade Map (www.trademap.org)

Analysis by IFAD SACP design PDT

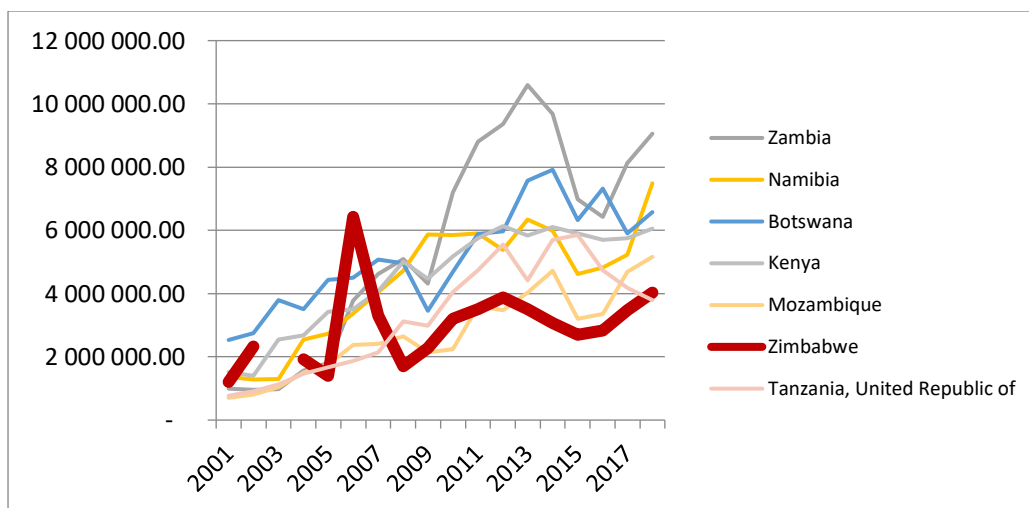


Table 4: Zimbabwe exports trend in comparison with peer countries in SSA

Data Source: ITC Trade Map (www.trademap.org)

Analysis by IFAD SACP design PDT

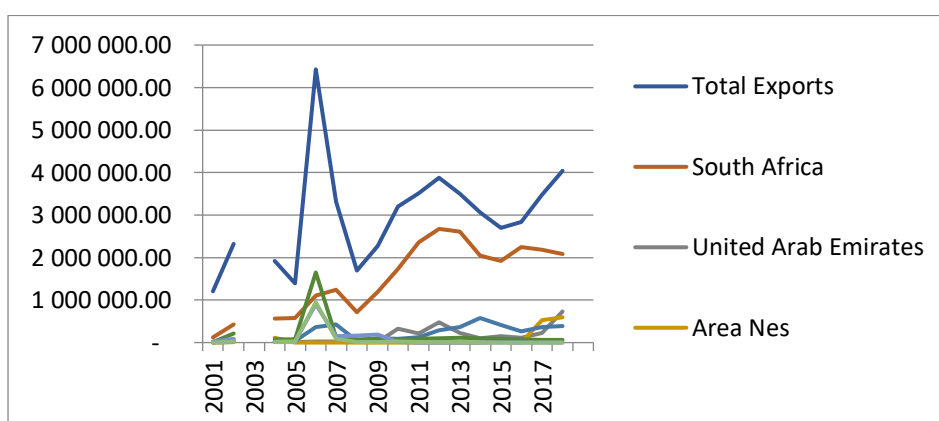


Table 5: Zimbabwe exports trend in comparison with peer countries in SSA

Data Source: ITC Trade Map (www.trademap.org)

Analysis by IFAD SACP design PDT

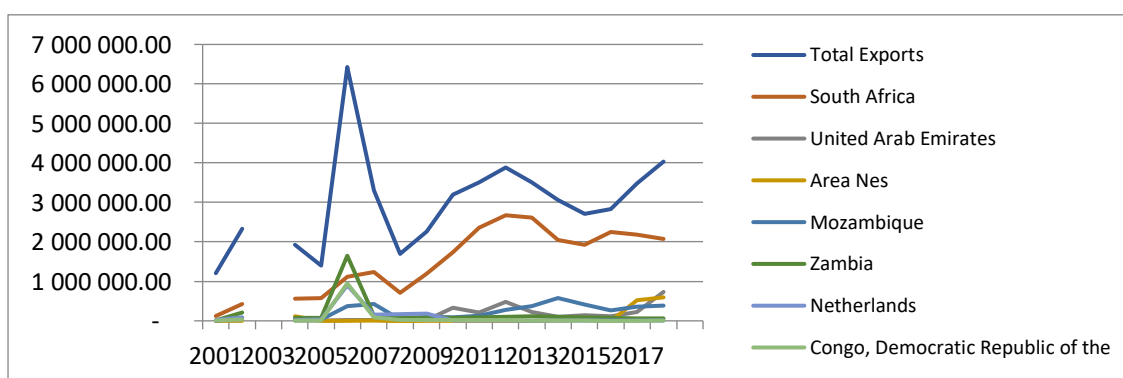




Table 6: Zimbabwe exports target countries


Data Source: ITC Trade Map (www.trademap.org)


Analysis by IFAD SACP design PDT


The following includes summary details for the surveyed 22 agribusinesses. Full details are available in a separate folder.


Enterprise 1: Afrideli Private Limited	
Location and areas of operation: Harare, Zimbabwe	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Small, grains, poultry and goats	Number of linked smallholder farmers 50,000
Description of enterprise: Afrideli works through establishing groups and associations of smallholder farmers that produce and market produce at a profit. It provides technical support, value addition, marketing expertise and access to both local and international market. The local market composes of individuals, supermarkets, hospitals and clinics. The current export markets are in Japan, United Kingdom, America and South Africa. Current production volumes per annum are as follows; 60 tons small grains, 50,000 poultry birds and 20,000 goats.	
Potential area of linkage with SACP: Afrideli will benefit from improved capacity in acquiring raw materials, storage facilities and transport. The organization will be able to work with smallholder farmers in SACP target areas improving productivity and promoting linkages to markets for small grains, poultry and goats.	


Enterprise 2: Buntu Foods	
Location and areas of operation: Matabeleland, Midlands, Mashonaland West and Harare (prospects for Manicaland and Masvingo)	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Sorghum Meal, Millet Meal, Mhunga and Poultry Mix stock feeds	Number of linked smallholder farmers 502
Description of enterprise: Traditional grain milling company products sorghum and millet meals and also stock feeds. Bantu procures small grains from smallholder farmers and value adds before supplying the Top Supply Chain. The major market is supermarkets and restaurants. Current through put is estimated around 90,000 tons for millet and slightly more for sorghum.	
Potential area of linkage with SACP: Bantu Foods provides a potential market for small grains smallholder farmers. It can also provide employment opportunities for women and youths. It requires capacity enhancement in storage facilities, processing equipment and transport logistics.	


Enterprise 3: Bloombest Investments (Pvt) Ltd	
Location and areas of operation: Murambinda, Buhera District	Type of Enterprise (Lead / Micro) Micro
Commodities of Focus: Goat Farming (Meat Goat)	Number of linked smallholder farmers 50
Description of enterprise: Bloombest specializes in the production of goats in Murambinda and Buhera districts. Promotes consumer acceptance of goat meat in the country. Markets goats and goat meat to various customers and aiming for capacity to market goat meat at national level and promoting consumer acceptance of goat meat in the country. The local market comprises of Villagers, church gatherings, traditional ceremonies, butcheries. Current quantity of goats is 50 and has a potential to market 500 goats per year.	
Potential area of linkage with SACP: Bloombest can work as an integrator assisting smallholder farmers with breeds, handling facilities, technical support and access to markets	


Enterprise 4: Brandhold Investments	
Location and areas of operation: Harare	Type of Enterprise (Lead / Micro) Micro
Commodities of Focus: Small Grain Mealie – meal	Number of linked smallholder farmers Not defined
Description of enterprise: Brandhold Investments buys small grain then processes the grain into mealie-meal. Markets include selling to individuals and open vegetable markets and in a few online delivery stores. Current Production volume of fast-moving line which is zviyo, is about 100 – 150kgs and about 30kgs mupunga per month. The rest (mhunga, mapfunde) is mostly about 10 – 20kgs as per demand.	
Potential area of linkage with SACP: This micro-enterprise has potential to provide support to farmers and a market for small grains. It can be supported to have threshing machines and grading equipment to support harvesting, processing and marketing locally and export zones.	


Enterprise 5: Fresh Energy Enterprises P/L	
Location and areas of operation: 57 Fife Ave, Harare, Zimbabwe	Type of Enterprise (Lead / Micro) Micro
Commodities of Focus: Solar Supplies & Installation	Number of linked smallholder farmers Not defined
Description of enterprise: Fresh Energy provides alternative energy to the scarce electrical energy by providing green energy solutions for both companies and individuals. Markets include including schools, commercial buildings and the agricultural sector.	
Potential area of linkage with SACP: Can supply green energy solutions to smallholder farmers in the form of solar pumps, battery banks, solar panels and lighting technologies.	


Enterprise 6: Gayarite Limited	
Location and areas of operation: 6523 Westlea Industrial Area, Warren Park	Type of Enterprise (Lead / Micro) Micro
Commodities of Focus: Large and Small Grains Processing	Number of linked smallholder farmers 1000
Description of enterprise: Gayarite Limited focuses mainly in providing the solution to the mealie meal shortages and affordability all through grinding large and small grains. The current volume is at 25% of capacity due to unavailability of grain and competition in the market but has a capacity to process one ton of grain a day.	
Potential area of linkage with SACP: Provide a market for maize and small grain for smallholder farmers. Can also supply livestock feeds and process mealie meal for households for consumption.	


Enterprise 7: Greens Agriculture Con		
Location and areas of operation Glendale	Type of Enterprise (Lead / Micro) Micro	
Commodities of Focus: Sweet potato vines, tubers, flour, garlic seed and bulbs	Number of linked smallholder farmers 200 targeting 400	
Description of enterprise: Greens Agriculture Con works with smallholder farmers to improve their livelihoods through promotion of sweet potato value chain system. The business embraces the cultivation of clean planting. Its major task is to multiply the planting material and availing the vines to smallholder farmers in most parts of the country. Current local markets include Mbare and export market is Tanzania. Annually, Greens Agriculture Con multiplies and sells between 250,000-300,000 sweet potato vines to small holder farmers.		
Potential area of linkage with SACP: The company can work in target areas promoting root tubers as a measure to enhance food security. This is necessary especially in region 4 and 5.		


Enterprise 8: Galaway Trading t/a Homemade Peanut Butter		
Location and areas of operation: Bluff hill Harare	Type of Enterprise (Lead / Micro) Micro	
Commodities of Focus: Peanut butter and snacks	Number of linked smallholder farmers No direct link	
Description of enterprise: Homemade Peanut Butter a subsidiary of Galaway Trading engages in manufacturing and distribution of peanut butter. The local market comprises of Bluffhill and surrounding communities. Current market production is averaging 500 (330mls) bottles a month and supplies of an average of about 20* 1liter bottles as per clients' order. Groundnuts are mainly procured from Mbare musika.		
Potential area of linkage with SACP: The business can be linked to smallholder producers in Mash East to buy directly from farmers bulking points to reduce levels of aggregation. With equipment support the business has potential to grow into a major enterprise.		


Enterprise 9: Hutano Foods (Pvt Ltd)	
Location and areas of operation: 48 Harvey Brown Ave, Harare, Zimbabwe	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Small grains (e.g., white sorghum), local legumes (e.g., bambara nut), baobab	Number of linked smallholder farmers 300
Description of enterprise: Hutano Foods adds value to underutilized, drought resistant traditional crops and plants. It has two primary channels snacks and breakfast cereals and instant porridge. Current volumes are 16 tons of porridge, white sorghum, Bambara nuts/nyimo beans, ground nuts and baobab powder in excess of 30 tons. Local markets include several supermarkets and schools.	
Potential area of linkage with SACP: The organization can provide extension services for the under-utilized species and a market for small grains. With support in machinery and warehousing there is potential for the enterprise to grow its distributor channel and create a market for farmers.	


Enterprise 10: J Vicks Farm Produce	
Location and areas of operation: Middle Sabi	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: fruit plantations, horticulture, livestock and fisheries	Number of linked smallholder farmers 400
Description of enterprise: J Vicks Farm Produce monitors and ensures good agronomic practices are being carried out on the ground so as to meet exportable quality. Also draws up programs, develop production guidelines, monitor and evaluate field progress during the production processes. Local markets consist of fresh markets and non-fresh markers in major towns and cities and regional markets in South Africa, Namibia, Botswana, Kenya, Tanzania lastly, International markets UK, Dubai, China, Netherlands, Germany. Current volumes are pegged as per annum as follows bananas (72000 tons), citrus (900 tons), mangoes (500 tons) soya beans (1100 tons), sugar beans (400 tons), maize (1250 tons) and wheat (0 tons).	
Potential area of linkage with SACP: Provides a technical skill base for consolidated production by smallholder farmers and access to domestic and international markets. Requires support with latest technology in agricultural equipment to enhance productivity and processing of export quality.	


Enterprise 11: Kitchen Food Manufacturers (Pvt) Ltd	
Location and areas of operation: Cranebone, 10 Kimpton Close	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Culinary Herbs Spices, Condiments & Dry Vegetables.	Number of linked smallholder farmers 2000
Description of enterprise: Kitchen Food Manufacturers (Pvt) Ltd focuses on manufacturing, processing and packaging of culinary (herbs and spices) products. Current volumes are between 1500kgs to 2000kgs of about 2000 smallholders' households.	
Potential area of linkage with SACP: Supported with working capital, it can be an essential link with smallholder producers in horticulture providing a market and technical support to farmers to produce the market required standard products.	


Enterprise 12: Makonde Nutrition	
Location and areas of operation: Harare	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Maize, soya beans, pearl millet and sorghum	Number of linked smallholder farmers Not defined
Description of enterprise: Makonde Nutrition is a manufacturer and distributor of cereal and staple based food products. The local market composes of Non-Governmental Organizations, commercial and retail businesses. Current volumes are estimated 10000 tons.	
Potential area of linkage with SACP: Provides a huge market for farmers as it has a broad market with NGOs and other Top Supply Chain. It requires support in automated machines for processing and bagging to improve efficient and working capital to procure through-put.	


Enterprise 13: Masvingo Food Commodities Co-operative Company	
Location and areas of operation: Masvingo	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Sugar beans, groundnuts, butternut, onion, millet, sorghum, maize	Number of linked smallholder farmers: 310
Description of enterprise: Masvingo Food Commodities is a socio- economic enterprise that promotes production of commodities and provide sustainable markets in smallholder farming systems. Markets include Peak Trading, Zapalala Trading, National Tested Seeds, Prime Seedco, National Foods (potential), Netherlands (potential). Current volumes of (i) 50hectares of seed sugar beans, 40 hectares commodity sugar beans and 51 hectares of seed maize and 5 hectares of onion, (ii) 14tonnes of seed and 200bags of fertilizers, and (iii) number of smallholder supplier households: 310households).	
Potential area of linkage with SACP: Is a key partner for production and marketing of legumes, pulses and horticultural products. Requires support in grading, processing and warehousing equipment to improve efficient.	


Enterprise 14: Nyanganani Farm Produce	
Location and areas of operation: Nyanga Tombo 2	Type of Enterprise (Lead / Micro) Micro
Commodities of Focus: Horticulture	Number of linked smallholder farmers
Description of enterprise Small scale farming entity, growing chilies, garlic, beans and fish. Markets include Schools, Hotels, Supermarkets and Restaurants and with potential to export to European countries. Current volumes are Chilies 2 Tons per Hectare Beans 15 Tons per Hectare and Garlic 3 Tons per Hectare. Intends to expand to out grower program if provided resources.	
Potential area of linkage with SACP: Can provide out grower support to SECP smallholders farmers in horticulture.	


Enterprise 15: PRIMUS ENERGY	
Location and areas of operation: HARARE	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: ENERGY	Number of linked smallholder farmers Presently working with large scale farmers
Description of enterprise: Primus Energy supply renewable solar energy equipment, install and service high voltage power generators from 5.5kVa up to 1000kVa units. Markets are commercial farms and smallholder horticulture schemes. Current output volumes include service of more than 30 households in a month and 15 commercial farms.	
Potential area of linkage with SACP: Primus can provide energy solutions to agribusinesses in SECP and also provide alternative green energy solutions to smallholder farmers who may not afford the large generator plants.	

Enterprise 16: Sandringham Feeds	
Location and areas of operation: Mazowe	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Stock Feeds	Number of linked smallholder farmers Not quantified as yet
Description of enterprise: Sandringham Feeds is involved in the production of stock feeds to include poultry, cattle, pig and fish feeds. Existing markets are in Harare for the feeds. Current volumes are very low due to droughts standing at 2000 tons.	
Potential area of linkage with SACP: Provides a guaranteed market for smallholder producers in cereal and legume production. Also, can provide low cost feed to livestock producers in SACP areas.	


Enterprise 17: Shek-Shalom Agribusiness	
Location and areas of operation: 4 Market Street, Eastlea, Harare,	Type of Enterprise (Lead / Micro) Micro
Commodities of Focus: Poultry supplies (breeds, feeds and equipment)	Number of linked smallholder farmers Not quantified as yet
Description of enterprise: Shek-Shalom Agribusiness supply chicks and poultry equipment from reputable suppliers. There are no current markets and volumes as it is in 3 the introduction and growth stages.	
Potential area of linkage with SACP: Supplier to smallholder farmers of improved poultry breeds, vaccines, feeds and equipment	

Enterprise 18: SIMTON-SG ZIMBABWE Pvt Ltd	
Location and areas of operation: Chegutu	Type of Enterprise (Lead / Micro) Micro
Commodities of Focus: Poultry	Number of linked smallholder farmers Not quantified as yet
Description of enterprise: SIMTON-SG procure day old chicks from reputable suppliers, purchase stock feed and vaccines. Markets include small traders and some small scale to medium size traders. Current volumes are 7500 -10000 chickens after every 8 weeks, use about 300 haybales, charcoal, stock feeds and employ directly 4 employees.	
Potential area of linkage with SACP: Can be an integrator for poultry providing breeds, handling and bulking facilities for poultry produce from smallholder farmers.	

Enterprise 19: Threefold Investment	
Location and areas of operation: 103 Mugabe Way. Bulawayo	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Cow peas, Ground nuts, Nyimo beans, Sesame and Amaranth	Number of linked smallholder farmers: 302
Description of enterprise: Threefold Investment is a commodity broker specializing in legumes, cowpeas, sesame and amaranth. It has local markets in in Fortwell, Greens, Spars and Choppies supermarkets. Current volumes are 1245MT, 1400MT, and 302 smallholder farmers.	
Potential area of linkage with SACP: Provides a market to smallholder farmers for Sesame, legumes, pulses and amaranth.	

Enterprise 20: Tocek Investments (Pvt) Ltd T/A Zadzamatura	
Location and areas of operation: Plot K, Oservatory Farm, Mt Hampden, Harare	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Maize, small grains and pulses seed and hybrid production	Number of linked smallholder farmers 2050 (legumes 600, pulses 400, sorghum 800, Sesame250)
Description of enterprise: Zadzamatura's drive is on food security and also development and empowering of the smallholder farmers. The main market is a farmer as it is a seed producing organization. Current output volumes are: Maize 3500MT, Soya Beans 600MT, Sorghum 1000MT, Groundnuts 200MT, Sugar Beans 500MT and Sesame 100MT.	
Potential area of linkage with SACP: Zadzamatura buys back 100% seed produced by farmers and also provides an essential market for cereal and sesame produce from farmers.	

Enterprise 21: Veterinarians for Livelihood Development Trust	
Location and areas of operation: Harare, Zimbabwe	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Veterinary and Rural Livelihoods support	Number of linked smallholder farmers
Description of enterprise: Veterinarians for Livelihood Development Trust is a non- profit-making organisation. Major focus is on professional animal health care, veterinary public health, enhanced sustainable livelihoods and self-reliance. Local markets include with Plan International in Manicaland Province, Zimbabwe, supporting their poultry and Masvingo Chicks offering trainings and extension support to smallholder farmers across Zimbabwe. Current volumes comprise of training over a thousand farmers and offering extension animal health support.	
Potential area of linkage with SACP: Training and extension services to smallholder farmers on animal health	

Enterprise 22: Zimbabwe Super Seeds	
Location and areas of operation: Masvingo, and Manicaland	Type of Enterprise (Lead / Micro) Lead
Commodities of Focus: Seed crops: Maize, sugar beans, cowpeas pearl millet and sorghum	Number of linked smallholder farmers
Description of enterprise: Zimbabwe Super Seeds Cooperative Company is smallholder farmers owned business. The company buys back all the seed produced by the farmers, process and pack it. The seed is distributed nationally and where markets are available regionally. For instance, Farm and City, Omnia, Major Family supplies and other small agro-dealers. Current volume of 800 Mt of seed mainly dominated by maize and sugar beans. The two crops account for 80% of the company production, while sorghum, groundnuts and cowpeas make the 20% of production.	
Potential area of linkage with SACP: Can provide OPV bio-fortified seed for cereal and legumes to smallholder farmers. Can contractors out growers for the same in SACP districts.	

DETAILED IMPLEMENTATION MODALITIES: COMPONENT 2: CLIMATE PROOFED VALUE CHAIN INFRASTRUCTURE

Component 2: Detailed Sub-component and Activity Descriptions

The objective of Component 2 is to improve irrigation water supply and management, domestic water supply, and local level feeder roads, to facilitate the commercialisation of smallholder agriculture. The implementation of activities under this component will encourage private sector investments in SACP areas, promote the production and marketing of large quantities of quality produce and reduce the time and cost of transport to the markets. The component will invest in public and semi-public infrastructure. Value chain infrastructure of a strictly private nature will be financed under Component 1. Component 2 will apply IFAD's Social Environment and Climate Assessment Procedures (SECAP). The compliance to the SECAP is elaborated following the detail of the sub-components, implementation arrangements and work flow.

The component will reduce (a) transaction costs of inputs and outputs, (b) increase farmers' incomes, particularly through improved market access and (c) enhance productivity. The successful implementation of Component 2 will, in many SACP clusters, be a key prerequisite in reaching SACP's productivity, production, and eventually, household income, targets.

The expected results of this component include: (i) prioritised ward level community infrastructure investments, developed through participatory stakeholder consultations; and (ii) about 1800ha equipped with improved irrigation systems; (iii) 150km of roads rehabilitated and climate proofed; (iv) 100 wards with improved water supply and sanitation facilities.

The component consists of two sub-components: Sub-component 2.1: Participatory ward level infrastructure investment planning, and Sub-component 2.2: Climate proofed infrastructure investments.

Sub-component 2.1: Participatory ward level infrastructure investment planning

The SACP-supported cluster infrastructure investments will be identified through participatory planning process involving both women and men beneficiaries. The final products of the planning process will be the identification of priority irrigation, roads and water supply investments in each ward. The steps in the planning process include: (i) socio-economic data collection, (ii) ward and village meetings to prioritize activities and investments, and (iii) costing and feasibility assessments for priority investments to assess impact and investments amounts; and (iv) meetings to finalise the selection of investments.

The criteria for selection of appropriate investments under the components will be based on (i) linkage with selected value chains and production clusters, (ii) the climate vulnerability assessment maps, (iii) severity of deterioration of the infrastructure service required, (iv) the environmental, social and technical requirements of particular intervention (e.g. availability of reliable water sources for agriculture, no land conflicts, no over abstraction of resources); (v) potential to increase resilience to climate change and reduce environmental degradation, (vi) the identification of the interventions as a key priority by the community members, particularly for women and youth; and (vii) investment cost within project budgets.

Sub-component 2.2: Climate proofed infrastructure investments

The sub-component will support: (i) small-scale irrigation development investments, (ii) feeder road rehabilitation, and (iii) community water supply schemes based on gravity or solar power from protected wells/boreholes and springs.

Small-scale irrigation Schemes

The objective of this intervention is to increase agriculture production through the rehabilitation and improvement of small-scale irrigation infrastructures for selected value chains. Considering selected value chains from Component 1, irrigation schemes to be rehabilitated will be selected through a communities-based prioritisation process explained above. The expected output will be improved irrigation for about 6,300 persons. Activities under this subcomponent may include the following features:

- Use of existing dams for developing new irrigation land and modernizing irrigation systems at the farm level, will be priority investments. The irrigation systems will support crop production during the midseason drought and allow for production the dry season.
- The unreliable rainfall experienced in Zimbabwe calls for a need to modernise existing small-scale irrigation systems to improve irrigation efficiencies and water availability during the crop season. Emphasis will be given to the introduction of water savings irrigation systems such as drip and centre pivot sprinklers, and pipe conveyance systems. The selection and design of each irrigation system will be site specific. The DoI engineer will carry out the technical feasibility assessments, identify and design suitable system. Solar pumps will be considered as the main option to provide power requirement for irrigation systems.
- The rehabilitation and improvement of existing irrigation shallow wells and boreholes can be undertaken to provide supplementary irrigation during the droughts and dry season. There will be no new drilling and installation of wells unless geophysical survey and water potential investigation is carried out to confirm safe groundwater abstraction rates level, in line with SECAP guidelines. Solar pumps will be considered as an option to provide power requirement for irrigation wells, as well as use of modern irrigation technologies to improve irrigation efficiency.

Selection of irrigation schemes will be competitive, following an expression of interest and call of proposals by the project. An initial call for proposals will shortlist potential irrigation schemes to be assisted using the following criteria: (i) reliable water source; (ii) demonstrated link to a market for intended produce. Possible link with Lead Enterprises and SMEs supported under Component 1 will be desirable; (iii) the investment encourages youth participation; (iv) the investment benefits women farmers; (iv) potential for increasing household income sustainably; and (v) agreement to contribute at least 15% of costs in cash. The shortlisted schemes, new or for modernising, will be assisted to undertake feasibility studies to be submitted for final selection. The feasibility will confirm the criteria indicated above and detail how each criterion will be met. The APG involved in the irrigation scheme will associate with a lead enterprise or indicate a confirmed marketing arrangement to submit a proposal.

Irrigation schemes will typically have less than 50 participating farmers, with an average 2 ha per farmer. The typical average size of irrigation schemes will be less than 100 ha. A total area of around 1,800 ha will be developed under this intervention.

Feeder road rehabilitation

Climate smart feeder road rehabilitation. The objective of this intervention is to provide improved and reliable access to markets and services as well as incorporating water harvesting into road drainage structures (for livestock drinking water and small gardens, wherever feasible), based on identified need by the communities and interested private sector parties. An integrated approach to support rehabilitation of selected last mile feeder roads will combine the following options of: (i) road should be linked to an area producing a selected value chain; (ii) climate resilient design and construction with improved surfaces and erosion protection works; and (iii) utilizing road surface as catchment areas to catch surface runoff for livestock drinking water and irrigation.

There are no ready examples of road water harvesting in Zimbabwe, hence this can be an innovation that can be tried, especially in the Natural Region V, where there is low rainfall. Recharge or storage using borrow pits, percolation systems such as deep trenches and percolation ponds meant to increase ground water recharge, side-drain drainage used for irrigation, sand mining pits, road-side earth ponds are some of the techniques that can be tried in the country and have been successful in other countries. Several techniques are available to optimise the use of roads for water harvesting, such as: water harvesting from cross drains and side drains; water harvesting from road surfaces; use of borrow pits and quarries for storage or recharge; erosion protections from road drainage water; use of roads as flood control mechanisms; and use of the road body as retention dykes/dams or small retention ponds.

Developing road water harvesting and ponds for livestock drinking and agricultural use will help improve on livelihoods in rural communities and help address the water shortage problems in dry regions. The ward leaders and community members, in collaboration with DDF and DoI engineers, will play an active role in assessing the road conditions for selected wards to identify road to repair and maintenance and identify the technique(s) to utilize the road surface as a water harvesting means. The project will facilitate the training of DoI and DDF engineers in road water harvesting.

A total of 150km of feeder roads will be developed under this intervention. The priority feeder roads will be selected by the community, APGs and participating enterprises. It is anticipated that the feeder roads will have an average length of less than 5km.

Community water supply

The design of the water supply systems will consider the number of beneficiaries and potential yield of the source. For this purpose, the project will recruit a short-term national water engineer consultant for identification and design of the water schemes in consultation with beneficiaries.

Individual household water supply from rooftop water harvesting. The primary objective is to increase household water availability for domestic and gardening use for the households in the dry season. This technology will be an option for selection by communities in all areas with households having houses suitable for water harvesting, particularly in Matebeleland North wards, where rainfall is below 600mm/year. The water harvested can be stored in an underground tank within the household yard. Rooftop water harvesting is an adaptive measure to the impact of climate change on water scarcity.

The selection of household for rooftop and/or open catchment water harvesting should meet the following criteria: (i) adequate average annual average rainfall for intended purpose of water harvesting; (ii) household meets the poverty criteria for the project; and (iii) the households invest in roofing suitable for water harvesting and invests in digging pond/taking. The cistern can be used for domestic use and gardening irrigation, depending on size. Appropriate water treatment will be needed before using the collected water for drinking and other domestic uses. The requirements for water harvesting will be determined during design but may include covering existing mud roof with layer of concrete, water collection pipes and cisterns.

Communal multi-purpose water schemes. Villages level water supply systems for providing multi-purpose water for a community of about 150 households can be considered for investment under the project. Water storage capacity will consider multipurpose uses by the community (for human (50l/person/day), livestock (5-50litres/day/unit depending on the type of livestock), and a determined volume for small nutrition gardens.

Existing village water supply projects based on shallow/boreholes and spring water delivery systems may also rehabilitated or built. The village water supply projects are generally a borehole with a hand pump. These systems may be converted to be equipped with solar electric pumping units, elevated water tanks and water distribution network, as necessary and depending on the management and operation arrangements and cost of water. The installation of solar energy units, particularly to replace diesel pumping, will be a key investment area.

The sustainability of these water systems depends on 3 pillars: the water source, the cost of water and the management arrangements. Technical studies shall be done to ensure a reliable water source for the planned water demand is available. Use of solar electricity for pumping and potential use of pre-paid cards can help in making the water affordable. Appropriate management arrangements for the system are vital to maintain enough revenues to cover the operation and maintenance expenses. Trust on the management shall be maintained through transparency in accounting and opening books to a village elected committee. The project will discuss with the community the options of RDC, DDF or ZINWA to manage the water supply systems on behalf of farmers, whenever feasible. A handover certificate to the selected management entity will be signed at completion of construction activities.

It is anticipated that about 100 wards will be assisted to have improved domestic multipurpose water supply.

Detailed Implementation Arrangements and Workflow by Activity

This component will be implemented by an interdepartmental team comprising of Department of Agritex, DoI, DDF and RDCs, with their widespread country presence and experience in similar activities in other projects over many years of operation in Zimbabwe. The interventions under this component will be determined by communities following a community mobilisation and planning process and consideration of the technical feasibility and development costs.

The activities under the Component 2 will be carried out in coordination with the activities of Component 1 and will follow the sequence described in Table 2.

Table 2: Detailed of the community dialogues for climate resilient community infrastructure

Diagnostic Process	Location	Participants	Purpose	Next Task
Exploratory Visit	Ward level	Ward leaders (councillor, village head), including meetings with leaders of women and youth groups. Agritex, DoI, DoM, RDC, DDF, APGs, agriculture SMEs and lead enterprises	Inform them about the project and get long list of possible locations for community infrastructure needs in following areas: irrigation, feeder roads and water supply and sanitation. Communicate selection criteria and targets for inclusion of women and youth.	Project staff analyse long list and prepare shortlist based on agreed criteria, and prepare requirements for further studies. Brief community of shortlit criteria and process for endorsement.
First Dialogue: Introduction and Dissemination	Ward level	At least 50% of the HHs from the Ward Unit. Ward leaders, Agritex, DoI, DoM, RDC, DDF, APGs, Agri-SMEs and lead enterprises A separate session with women and youth groups as necessary.	Inform the participants about project activities Discuss and agree shortlist priorities for interventions for the community Select a lead person from the community to take responsibility for each prioritised intervention	Undertake feasibility studies for selected priority investments in infrastructure – irrigation, feeder roads and water supply and sanitation.
Series of Dialogues: Technical Feasibility and implementation plans.	Intervention locations; Ward level District and Provincial government offices.	Lead persons and households selected for specific activities. Ward leaders APGs, Agri-SMEs Agritex, DoI, DoM, RDC, DDF A separate session with women and youth groups as necessary	Determine the key stakeholders for each intervention and get buy-in. Identify beneficiary households for each selected intervention. Prepare implementation plan with activity timing, and location.	To agree on the Terms of partnership in the various activities and fix community contribution and responsibility. For irrigation development, at least 15% cash contribution mandatory For roads and water supply, RDC commits to contributing 15% of costs.
Feasibility assessments	Infrastructure sites	APGs, Agri-SMEs Agritex, DoI, DoM, RDC, DDF A separate session with women and youth groups as necessary Consulting companies	Assess technical feasibility, costs and cost effectiveness and finalise intervention selection	
Irrigation, water supply	Infrastructure sites	APG in production;	PMU issues call for proposals	

and roads selection		Private sector lead enterprises Agritex, DoI, DoM, RDC,	APGs, in association with lead enterprises, as necessary, submit proposals including works specifications and BoQs. Provincial interdepartmental team evaluates proposals and awards grant	
Signing of the terms of partnership with participants and begin sub-component activities.	Agreed location of community interventions, and recipient household sites.	Project affected people, beneficiary households, contractors (if needed) and Ward leaders, Agritex, DoI, DoM, RDC, DDF, depending on intervention type.	Implementation of activities in implementation plan and terms of partnership agreement.	Participate in implementation of activities, monitoring and handover. Signed partnership agreements with APGs, RDC and Lead enterprise, as necessary.
Fourth and Final Dialogue: Beneficiary Feedback and Assessment	Ward unit	Beneficiaries, participants and Lead persons Ward leaders, Agritex, DoI, DoM, RDC, DDF, depending on intervention type	To assess project performance and obtain beneficiary feedback	To incorporate the findings in next round of implementation.

Agritex will be the main implementing partner for this component. Agritex will work with an interdepartmental team made up of Agritex, DoI, DDF and RDC to identify and screen eligible beneficiaries and interventions, prepare studies and designs and monitor implementation in each ward following the process outlined above for the selection and implementation of community investments. The team will be assisted by technical assistance recruited at each provincial PMU and at NPMU.

The Agritex, RDC and DDF district staff will lead the implementation of the community consultation activities and Agritex, DoI and DoM at provincial level will participate, monitor and follow up implementation. Specific interventions in each ward will be identified through community dialogues led by the RDC and Agritex, with participation of all members of the inter-departmental team. The interdepartmental team (DoI, DDF, RDC and Agritex), in consultation with beneficiary households and community-based organizations and with local consultants, will assess the feasibility of selected prioritized proposals and select for implementation. The selection process will be simple and transparent.

The technical feasibility studies will be undertaken by the Department with the necessary competence for the selected activity. The DoI will undertake irrigation feasibility studies, and DDF will undertake the feasibility assessment for roads and water supply systems.

SECAP compliance for SACP financed infrastructure development

Rehabilitation of irrigation schemes requires an Environmental Management Plan (EMP)⁴² to be developed. An Environmental Impact Assessment (EIA) is required based on the scope of works particularly where expansion is envisaged. Rural roads do not have specific EIA requirements though they can be included in the assessments for irrigation scheme development and agro-industries. The following steps will be followed.

- a) screening of infrastructure sub-projects, as a result a prospectus will be produced;
- b) submission of prospectus for Environment Management Agency (EMA) review;
- c) desk review by EMA with feedback provided within 30 days;
- d) ground truthing by EMA;
- e) development of Environmental Management Plan if required.

Sample Terms of Reference (ToR) for EIA Preparation

Based on the screening and scoping results the ToR will have the following contents.

I. Objective of the ToR: This section should state the scope of the EIA in relation to the screening category and the proposed program activities. It needs to stipulate the process and the timing of the EMP preparation and implementation stages in order to adequately address the safeguards requirements of the GoZ and IFAD.

II. Introduction and Context: The ToR needs to provide information on project activity objective, the name of the project activity proponent, the rationale for the EIA, specific components of the project activity, project activity area with location map, short briefing of social and environment of settings and applicable safeguard policies.

III. Location of the study area and likely major impacts: State the area involved and the boundaries of the study area for the assessment. Identify adjacent or remote areas which should be considered with respect to impacts of particular aspects of the program activity.

IV. Tasks: The EIA study team/consultant should effectively execute the following tasks.

Task A: Description of the proposed program activity: Describe the location, size and nature of the project activity, environmental assessment category, brief description of project activity alternatives, time schedule for phasing of development and resources required for the program activity, among others.

Task B: Baseline information/Biophysical and social-economic description: Describe the baseline/biophysical and socio-economic characteristics of the environment where the project activity will be implemented; and area of influence. Include information on any changes anticipated before the project activity commences.

Task C: Administrative and legal Policy framework: In addition to the required administrative and institutional setup for the implementation of the program activity, this part needs to identify pertinent policies, regulations and guidelines pertinent to the study.

⁴² To ensure compliance with the SECAP, the social risk analysis and mitigation measures will be included and thus an Environment and Social Management Plan developed as detailed in the ToR.

Task D: Identification of potential impacts of the program activity: Identify all potential significant impacts that the project activity is likely to generate. Assess the impacts from changes brought about by the project activity on baseline environmental conditions as described under Task B. The analysis should address both the positive and negative impacts of the activity. Wherever possible, describe impacts quantitatively, in terms of environmental and social costs and benefits.

Task E: Propose project activity alternatives: Alternatives extend to site, design, technology selection, construction techniques and phasing, and operating and maintenance procedures. Compare alternatives in terms of potential environmental and social impacts; capital and operating costs; suitability under local conditions; and institutional, training, and monitoring requirements.

Task F: Preparation of an Environmental and Social Management Plan (ESMP): Describe the mitigation measures for adverse environmental and social impacts, capacity building requirements, schedules, and other necessary support services to implement the mitigating measures. Provide environmental and social protection clauses for application by contractors and consultants, if any. The ToR should state that the concerned and affected parties should agree on the proposed mitigating measures before they are included in the ESMP.

Task G: Monitoring Plan: This organizes a comprehensive plan to monitor the implementation of mitigating measures and the impacts of the program activities. It should also address an estimate of capital and operating costs and a description of other inputs (such as training and institutional strengthening) needed to implement the plan.

V. Qualification of the EIA study team/Consultant: The ToR should provide clear guidance on the qualification of the EIA study team.

VI. Duration of the EIA Study: This should be determined according to the type of the program activity.

Appendix 3 – Screening Checklists and Procedures

Below is the list of the IFC exclusion list applicable to SACP:

Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements.

Production or trade in alcoholic beverages (excluding beer and wine).

Production or trade in tobacco⁴³.

Trade in wildlife or wildlife products regulated under CITES⁴⁴.

Purchase of logging equipment for use in primary tropical moist forest.

Production or trade in pesticides/herbicides subject to international phase outs or bans.

Production or activities involving harmful or exploitative forms of forced labour /harmful child labour⁴⁵

This section outlines the selection criteria and associated Environmental and Social risk assessment to be applied when screening infrastructure activities financed by SACP.

Annex 3.1 Information for screening potential environmental and social impacts

I. Basic Data:

Name of the Project:

Civil Works to be constructed:

Name of the proposed project activity:

Proposed Date for Commencement of Work:

Name of the Beneficiary:

Site Selection:

Address:

II. Site Description

Site Features	Description
Size of infrastructure to be developed	
Physical description of the site	
Proximity to existing water points, wells and other water resources	
Presence and type of vegetation	
What is the current land use?	
Who identified the site?	
Who is the owner or user of the land?	
Who occupies the land?	

Completeness of the Application:

Does the application document contain, as appropriate, the following information?

Issues to be considered	Yes	No	N/A
Description of the proposed project activity and where it is located			
Reasons for proposing the project activity			
The estimated cost of implementation			
Information about how the site was chosen, and what alternatives were considered			

⁴³ This does not apply to project sponsors who are not substantially involved in these activities. "Not substantially involved" means that the activity concerned is ancillary to a project sponsor's primary operations.

⁴⁴ CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora. A list of CITES listed species is available from the Environment Division.

⁴⁵ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty. Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

Issues to be considered	Yes	No	N/A
A map or drawing showing the location and boundary of the proposed project activity including any land required temporarily during construction			
Any new access arrangements or changes to existing road layouts			
Any land that needs to be acquired, as well as who owns it, lives on it or has rights to use it			
A work program for construction, operation and decommissioning the physical works, as well as any site restoration needed afterwards			
Construction methods			
Resources to be used in construction and operation (e.g. materials, water, energy)			
Information about measures included in the proposed project activity plan to avoid or minimize adverse environmental and social impacts			
Details of any permits required for the proposed project activity			

Annex 3.2. Checklist for environmental and social impact rating for Proposed project activities of environmental and social concerns.

Impact rating will be considered both in terms of consequence of impacts and probability of impacts so as to avoid subjective impact analysis.

No. A	Will the proposed project activity:	If Yes, Rate of Impacts				
		None	Low	Medium	High	Unknown
1	Build or rehabilitate any rural roads (SACP can only finance Category B roads i.e. max. 10 kilometers continuous stretch)?					
2	Build or rehabilitate any irrigation schemes (SACP can only finance Category B schemes i.e. max 100 ha)?					
3	Build or rehabilitate any structures or buildings?					
4	Be located in or near an area where there is an important historical, archaeological or cultural heritage site?					
5	Be located within or adjacent to any areas that are or may be protected by government (e.g. national park, national reserve, world heritage site) or local tradition, or that might be a natural habitat?					
6	Depend on water supply from existing reservoirs, weir, or other water diversion structure?					
7	Have risk of causing the contamination of drinking water?					
8	Cause poor water drainage and increase the risk of water-related diseases such as malaria or bilharzias?					
9	Be located within or near environmentally sensitive areas (e.g. intact natural forests, mangroves, wetlands) or threatened species?					
10	Create a risk of increased soil degradation or erosion?					
11	Produce, or increase the production of, solid or liquid wastes (e.g. water, medical, and domestic or construction wastes)?					
12	Affect the quantity or quality of surface waters (e.g. rivers, streams, wetlands), or groundwater (e.g. wells)?					
13	Result in the production of solid or liquid waste, or result in an increase in waste production, during construction or operation?					
14	Require that land (public or private) be acquired (temporarily or permanently) for its development?					

15	Use land that is currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing locations, forests)					
16	Displace individuals, families or businesses?					
17	Result in the temporary or permanent loss of crops, fruit trees or household infrastructure such as granaries, outside toilets and kitchens?					
18	Result in the involuntary restriction of access by people to legally designated parks and protected areas?					

When considering the location of a proposed project activity, rate the sensitivity of the proposed site as shown in the table according to the given criteria. Higher ratings do not necessarily mean that a site is unsuitable. They do indicate a real risk of causing undesirable adverse environmental and social effects, and that more substantial environmental and/or social planning may be required to adequately avoid, mitigate or manage potential effects. The following table should be used as a reference.

Summary of assessment (based on screening criteria):

Environmental Category (B or C) of the proposed project activities(with justification):

Recommendation

The Proposed project activity can be considered for approval. The application is complete, all significant environmental and social issues are resolved, and no further planning of proposed project activity is required: ☐

Approved without condition (*Project activity is not of environmental and social concern and is ready for approved*)

Safeguards instrument(s) required: ES ☐ or others (please specify)

ESMP required: ☐

Rejected; reasons for rejection: ☐

Others (specify): ☐

A field appraisal is required. ☐

Free, Prior and Informed Consent

Free, prior and informed consent (FPIC) is an operational principle empowering local communities to give or withhold their consent to proposed investment and development programmes that may affect their rights, access to lands, territories and resources, and livelihoods (IFAD, 2015). FPIC is solicited through consultations in good faith with the representative institutions endorsed by communities. In the context of the SACP, it will ensure that community members, particularly the indigenous and marginalised groups participate in decision-making processes for the agricultural productivity and infrastructure development activities.

Consent being sought in a way that is “free, prior and informed”⁴⁶ requires the following:

- no coercion, intimidation or manipulation
- consent sought sufficiently in advance of any decision point or commencement of activities
- information provided covers all relevant issues to make decision maker fully enlightened.
- an outcome of the consultation, participation and collective decision-making process by the local communities

General guiding principles

a) Responsibility and institutional capacity for seeking FPIC

The IFAD general policies and procedures, stipulate that the borrower or grant recipient is responsible for seeking FPIC. In this case the GoZ through the MLARR, as the lead Ministry, will be responsible for seeking FPIC. FPIC will be based on laws that regulate the rights to land and resources in Zimbabwe.

b) Identifying representative institutions

In order to ensure legitimacy, it is crucial that FPIC be obtained from the representative institutions of local communities, which for the SACP includes both the APGs and the WaDCos. However, the important criteria is that representation should be determined by the concerned peoples and communities themselves to avoid misrepresentation or manipulation. Therefore, additional community representation can be included in the start-up phases of the project.

c) Consultation, participation and consent

SACP will follow a participatory approach for implementation of both Components 1 and 2 as articulated in the detailed descriptions above, to ensure that local communities are included in business plan development and infrastructure prioritisation. SACP processes will give appropriate attention to women and young people in these consultations.

⁴⁶ United Nations Development Group (UNDG), Guidelines on Indigenous Peoples' Issues, 2009:30

As a result of the participatory approach and processes outlined under each component, each specific activity will be an outcome of the collective decision-making process by the local communities. The Project Management Unit will seek recorded consent agreements with the concerned communities through their freely chosen representative bodies to engage in the FPIC process.

The consent agreement and record will document the outcome(s) of the process and terms and conditions agreed upon. It will also document any dissent to the overall project or project activities. The agreement must be independently verified as fair and true by the communities and follow the process agreed by them.

d) Documenting consultation, participation and FPIC

MLARR, through the PMU, will undertake to document all consultations, participations and consent in the following manner:

- Keep record of consultations undertaken how participants were selected and invited; what documentation/information they received beforehand and in which language; who participated; what was discussed; and what was agreed.
- Keep record of participation: when did representatives of indigenous and marginalised peoples and local communities participate; how they were selected; what institutional roles or accountability links to constituents do they have; what commitments do they assume; and what agreements were made.

Document specific instances that express FPIC such as agreements between the MLARR and the concerned local communities. These agreements should clearly articulate what has been agreed (issues, commitments, time frames, budgets, roles, responsibilities, etc.); who entered into the agreement (clearly identifying the individuals involved as well as their title and role (or the duly designated implementing agency or entity such as the PMU); and what mechanisms have been set up to maintain dialogue and address disagreements.

Since investments in specific communities and areas were not identifiable during the SACP design stage, FPIC will further be solicited during the implementation phase. The outline for the FPIC plan includes the following steps in the process and include timeline:

- Sociocultural and land tenure assessment, which will be part of the standard poverty analysis and beneficiary identification process. This will also be part of the targeting strategy for the SACP and thus conducted within the first year of project implementation.
- Identification of decision-making institutions and representatives to ensure full, effective and equal participation of stakeholders. This will be done during the start-up phase of the project as part of the stakeholder identification and engagement planning.
- Consultation process leading to FPIC. This will be part of the implementation process detailed for both component 1 and 2. The consent will be obtained for the APG participation and infrastructure prioritisation work flow.
- Formalized consent agreement. These will be obtained prior to any investment activities through the business plans, matching grant proposals and infrastructure prioritisation list and feasibility assessments.

DETAILED IMPLEMENTATION MODALITIES: SUB-COMPONENT 3.1: SUPPORT TO POLICY AND INSTITUTIONAL DEVELOPMENT

Objective and Overall Implementation Approach

The purpose of Sub-component 3.1 activities is to support the efforts to create a conducive policy and institutional environment for private sector-led smallholder agriculture transformation in Zimbabwe. SACP's accumulated experience and evidence-based recommendations will be documented by the project. Strategic partnerships will be initiated with key stakeholders to ensure enabling conditions for smallholder agriculture commercialization. Specialists will be recruited to develop relevant knowledge products, policy proposals as well as investment opportunity papers and briefs on new, promising crops and commodities. Based on the accumulated knowledge and information, policy dialogues and other discussion forums and events will be organised, aiming particularly at the development of action-oriented plans to support the diversification and commercialisation of smallholder agriculture.

Sub-Component 3.1 Implementation Arrangements

The nature of each policy and thematic development activity will define the type of support that SACP support and the appropriate implementation modality required in each case. During the design process it was agreed that Sub-component 3.1 are organised at two inter-related levels.

(a) Institutional Support for Policy Implementation. SACP supports the operationalisation of policies and institutional arrangements relevant to smallholder value chains. In particular, capacity building and TA will be recruited for the strengthening of the Ministry of Agriculture operations in the areas of: (i) implementation of agribusiness one-stop-shop approach for full range of agriculture SME public support services, (ii) operationalization of the horticultural sector policy, to support this key sub-sector with major opportunities for productivity and smallholder income enhancement; and (iii) support the operationalization of the National Agriculture Policy Framework 2018-2030 (NAPF) through transformative investment opportunity papers on new, innovative smallholder-based commodity chains and subsequent action planning and capacity building based on the analysis and recommendations.

(b) Demand Driven Policy Solutions for Smallholder Value Chain Development. In its initial year, SACP will identify gaps and demands in the legal and institutional framework for smallholder value chain development. Subsequently, the project will provide resources to development of appropriate policy and institutional solutions to the issues identified. Based on discussions held during the design mission, the possible areas of intervention include: (i) contract farming best practices in enterprise-led, climate-smart value chain development, based on recent experiences in successful sub-sectors including smallholder tobacco, to ensure significantly wider use of formal contracts between smallholders and VCLEs; (ii) establishment of appropriate and practical farmer group registration mechanism to enable smallholders' full participation in commercial and financial transactions, to ensure that registered groups can fully participate in legally binding financial and trading contracts; and (iii) nutrition sensitive solutions for the SACP-supported value chains, including actions/policies to reduce food loss and waste.

Sub-components 3.1 budgets and intervention types are described in the Cost Tables of the SACP PDR. Resources are provided for carrying out surveys and studies, production and publication of policy papers and commodity/sub-sector briefs, as well as for the facilitation of workshops, forums, study tours and other events that supports the positive

change to take place in the policy and institutional environment for smallholder transformation.

Implementation responsibility for Sub-component 3.1 activities is with the National Project Management Unit (NPMU) of SACP, particularly with the Project Coordinator and the Knowledge Management and Communication Specialist. Before the preparation of each AWPB, these SACP officers will discuss with the Permanent Secretary of MLAWRR (the Responsible Officer for SACP and the Chairman of the PSC) and the relevant directors of MLAWRR about the policy and VC development-related themes and topics that would be appropriate SACP support the following budget year with Sub-component 3.1 resources. After the supported policy efforts and themes are selected, the SACP management will design a detailed work plan for this SACP support activity for the following budget year. To achieve successful and sustainable results, adequate resources are provided in the SACP budget to recruit high quality local and international experts to support the conduct the required studies and surveys and to assist in the facilitation of the related workshops, discussion forums, study visits and other policy development events.

KEY PROJECT PROCEDURES

A. PLANNING AND M&E PROCESS AND SACP SURVEYS

Overall Planning and M&E Approach

The logframe of SACP (see Annex 1 of PDR), incorporating Core Indicators (CI) relevant to the measurement of project output and outcomes in line with Core Indicator framework, complemented by Project specific indicators, will be the key guide in the development of work plans and budgets for the project. Planning and budgeting will be integrated in the GoZ processes and cycles and will be based on Annual Work Plans and Budgets (AWPBs). These, together with the logframe's quantified Core Indicators (CI) complemented by Project specific indicators (PSI) and SACP MIS database, will provide the primary basis for monitoring the SACP progress. The COI measurement guidelines provide a rigorous methodological framework that to collect Core Outcome Indicators (COI) data and thus measure attributable changes in CIs through dedicated surveys.

SACP will develop a robust M&E system in compliance with IFAD's Core indicator framework and the GoZ requirements. The SACP M&E system will (i) collect, analyse and update information based on the COI outcome surveys at baseline, midterm and completion; (ii) support PCU and the Steering Committee in planning and making informed decisions on SACP strategies and actions; (iii) maintain and strengthen strategic partnerships with stakeholders; and (iv) create opportunities for learning and sharing results. The system will be participatory, gender sensitive and results-oriented while enabling the integration of physical and financial progress reporting. In addition, the system will enable the analysis of climate change vulnerability among the beneficiaries.

Annual Workplan and Budget (AWPB)

NPMU will prepare AWPB following evidence-based performance review during the final quarter of each fiscal year to serve as the basis for project planning, implementation and progress monitoring for the following year. Provincial Implementation Units (PIU) will prepare their AWPBs and submit to NPMU to consolidate into one the annual plan. Upon finalisation, the NPMU will share the final version with the Project Steering Committee for approval and then submit to IFAD for 'no objection' approval no later than 60 days prior to the start of the next fiscal year. Below, a Table is presented with the list of institutions, reports and deadlines that the project needs to report to:

Institution	Reports	Frequency
IFAD	AWPB (IFAD template)	Every last quarter
	Narrative, Physical Progress and Financial Reports against AWPB (IFAD templates)	Semi-annual, Annual
Ministry of Agriculture Water and Rural Resettlement (MLAWRR)	Narrative, Physical Progress and Financial Reports against AWPB)	Quarterly, Semi-annual, Annual

Ministry of Finance and Economic Development	Narrative, Physical Progress and Financial Reports against AWPB)	Quarterly, Semi-annual, Annual
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M&E Plans

The project M&E will be linked to highly effective management information system/MIS that provides project management team and supply chain (SC) teams with timely and reliable data on developments against the logframe core indicator and project specific indicator targets at individual, household, cluster and buyer/supplier level. The project M&E processes will integrate IFAD's Core Indicator frameworks⁴⁷, project logical framework, principles of the Donor Committee for Enterprise Development Standard (DCED Standard)⁴⁸ and the National Agriculture Policy Framework for Zimbabwe. The NPMU's Monitoring and Evaluation Specialist will lead all internal M&E and together with the component leads, M&E and data management officer, design the M&E plan, MIS and progress reporting templates. A National Specialist in M&E and KM will also assist the team as part of the project technical assistance when required. SACP will submit quarterly, semi-annual and annual progress reports to Government of Zimbabwe and IFAD as per the requirements.

Once the project staff is on recruited, the NPMU will prepare an M&E Plan that will encompass the following:

- i. Preparation of M&E matrix with details on how the project will collect timely and realistic data on CI at outcome level at baseline, midterm and completion stages.
- ii. Procedures, tools and templates for data collection, entry and analysis including MIS;
- iii. Details of how the indicators will be measured;
- iv. Flow of communication and reporting along with timelines;
- v. Assessment of the capacity of staff (NPMU, PIU and field staff) in undertaking M&E responsibilities;
- vi. Capacity building on M&E data collection and analysis for staff based on the needs assessment.

Design of the M&E system. As part of designing the project M&E system, the M&E team will:

- i. Finalise the design of project M&E processes that integrate IFAD's Core Indicators framework⁴⁹, project Logical Framework, principles of the Donor Committee for Enterprise Development Standard (DCED Standard)⁵⁰ and the National Agriculture Policy Framework for Zimbabwe. The M&E system will include the use of regularly updated results chains and M&E frameworks for each priority cluster to compliment the overall M&E and project logical framework. The use of results chains will enable the identification and tracking of intermediate change indicators and allow for evidence-based understanding of the opportunities and challenges in the sector.

⁴⁷IFAD's Core Outcome Indicators Measurement Guidelines (COI)

⁴⁸ [The DECD Standard for Measuring Results in Private Sector Development](#)

⁴⁹IFAD's Core Outcome Indicators Measurement Guidelines (COI)

⁵⁰ https://www.enterprise-development.org/wp-content/uploads/DCED_Standard_versionVII_Apr15_bluecover.pdf

ii. Develop survey tools and formats for tracking of data to monitor and analyse the overall performance at household, group and cluster level and the wider commodity industry.

iii. Design of a Management Information System (MIS) which will be an important element in improving the efficiency, and reliability of the M&E of SACP. The project will develop a robust online web-based MIS system hosted in the NPMU linked to online/offline tablet-based direct data entry in the field.

iv. Ensure the financial management system is able to tag all expenditures by commodity/ cluster/ district and type of activity to allow for segmented analysis of the costs and benefits for the different clusters, commodities and locations.

v. Design and deliver capacity building trainings on M&E system, data collection tools and formats and use of tablets to NPMU and PIU. The NPMU M&E assistant will further train the BDS/Agritex Mentors to use tablets for data collection.

Data collection tools. SACP will build on IFAD's growing experience of mainstreaming household and group tracking as part of the self-learning process for supported farmer households and producer groups. This will be achieved through the business skills training activities and follow-up which will encourage the majority of project supported households to maintain household record books of their farm / non-farm enterprises. The experience to date is that the individuals and households themselves place a very high value on the insights they gain from their own enterprise records and a large majority are keen to keep their records books up to date once they are given the skills and support to do so. A similar process of self-assessment and data gathering will be used to track key indicators from activities. All project data will be collected through tablets and linked to an effective MIS that provides project management team and supply chain teams with timely and reliable data on developments against the logframe indicator targets at individual, household, cluster and buyer/supplier level.

All M&E data will be disaggregated by gender, age and poverty and assessed against project's targets in logframe and checklists⁵¹.

Household and Group Tracking will be an integral part of the project M&E to ensure that household and group level data tracking on seasonal basis is embedded into the everyday operation of the project. The data will be VC specific and focus on improved production, post-harvest and marketing, sources of financing and loans obtained and improved household relations. All households participating in project-supported groups will be given a unique identification number in the MIS so that activities and results can be traced back to the specific household.

Other reports for the project will include field visit reports (farmer groups/processors/road construction sites etc.), monthly meeting minutes of the different implementation units, meeting minutes, specific reports and information generated during supervision missions, and joint reviews of IFAD and the GoZ.

Data will be collected through sample-based survey for two groups: sample of beneficiaries and a comparison group. A questionnaire with questions related to COIs and PSI reflected in the log frame will be administered at baseline, midterm and completion stages.

Data collection and entry. Agritex, Business Skills Mentors and GALs Mentors will be provided with tablet computers with project MIS data entry forms and tools installed.

⁵¹ See Gender and Targeting Checklist on page xx in PIM

Tablet-based data entry forms will be geo-referenced and will include data screening and built-in data validation prompts to reduce data entry errors at source. Data entry will be done either off-line or with a live connection to the internet via mobile networks. Data will then be sent automatically from the tablets to the centralised MIS database once a network connection is established. Data received at the central MIS will be reviewed and verified before it is uploaded into the main MIS database. In case of errors and anomalies, the relevant mentor will be required to recheck and resubmit the data. All M&E data will be disaggregated by gender, age and poverty and assessed against project's targets in logframe and checklists⁵². In addition, NPMU, PIUs and field staff will be encouraged to use social media tools to improve communication and information sharing within the project and among stakeholders.

Baseline, Midterm and Completion Evaluations

The project will conduct COI survey at baseline, midterm and completion using the steps in the following table below:

Main steps to develop and conduct a project-specific COI survey

Main Steps	Action
STEP 1: Reviewing the project and determining the preparation of interest and CI	<ul style="list-style-type: none"> Review and validate the Theory of Change and the log frame Eligible population Identify CI
STEP 2: Building the questionnaire.	<ul style="list-style-type: none"> Select CIs questions from the COI questionnaire template Adapt and contextualise the COI questions Complement the COI questions
STEP 3: Designing the population sample	<ul style="list-style-type: none"> Determining the sample frame Define sample design Choose sample size methodology Determine the probability sampling Elaborate the TOR
STEP 4: Conducting the survey.	<ul style="list-style-type: none"> Review the questionnaire Selection and training of enumerators Field test and finalise the COI questionnaire Field data gathering
STEP 5: Analyzing and reporting.	<ul style="list-style-type: none"> Data quality control Computer entry Analysis and reporting

Under the first step, the Project staff, in coordination with IFAD should review and validate the project targeting strategy and define clear selection criteria. Project staff should also define the eligible population based on the selection criteria of the targeting strategy. The review and validation of the project ToC and logframe should lead to the identification of the project CIs. the log frame incorporates the CI relevant to the measurement of the project outputs and outcomes and provides information relevant for the theory of change. The CIs are complemented by project specific output, and outcome indicators to measure results not covered by the CIs. In step 2, based on the selection of the outcome CIs identified in the project logframe, the questionnaire automatically generates the associated mandatory questions to be administered in person to respondents. The project staff in coordination with IFAD team define the reference periods and adapt the

⁵² See Gender and Targeting Checklist on page xx in PIM

questionnaire according to the stage of implementation (baseline, mid-term and completion), also taking into account the project's specific context eg fragility situation.

In step 3, the staff should build a list of all units and provide all available information related to the selection criteria, based on the available information. The project will also choose sampling method and define use of comparison group according to project's characteristics and stage of implementation ie baseline, midterm or completion. Based on the project characteristics, the team should determine the probability sampling to be used and define which clusters or strata to be considered in the sampling. The project will develop TOR for the survey and prior to issuing the ToRs, the Project staff should submit the ToRs for IFAD's review and clearance. Based on the TOR, a detailed methodology will be determined.

Step 4 requires the translation of the questionnaire and design of the questionnaire forms. Test on the field, adapt and then finalize the questionnaire. Carryout the surveys and collect data. In step 5 there is need to control the quality of data collected. The data is computer analysed followed by interpretation and report writing. The report summarizes the conclusions emerging from the analysis and includes the following elements: (i) the description of the methodology used; (ii) the questionnaire (iii) the list of villages/communities surveyed; (iv) the results of the survey; (v) updated logframe (at least CIs at outcome levels); (vi) the ToC and its description based on the results of the survey; (vii) the analysis and interpretation of the results. The survey database should also be provided to project staff and IFAD.

IFAD's empowerment indicator will be used to measure empowerment. This is an index based of the project level Women Agricultural Empowerment Index (pro-WEAI), developed by IPFRI, OPHI and USAID. Pro-WEAI is a survey -based tool for measuring empowerment, agency and inclusion of women in the agriculture sector. It is composed of 12 indicators of women's empowerment in agriculture: autonomy in income, self-efficacy, attitudes about domestic violence, input in productive decisions, ownership of land and other assets, access to and decisions on credit, control over use of income, work balance, visiting important locations, group membership, membership in influential groups, and respect among household members. IFAD's empowerment indicator includes 10 of the 12 dimensions for pro-WEAI, focusing on those IFAD can influence in the supported activities. The pro WEAI dimensions are mapped to three domains: intrinsic agency (power within), instrumental agency (power to), and collective agency (power with), which are linked to the definition of empowerment. Surveys will be carried out in conjunction with socio-economic baseline survey above. WEAI seeks to identify constraints and obstacles faced by households and to track gender equality and measure empowerment, agency and women inclusion in the agricultural sector.

A respondent is considered adequate in a particular indicator if she or he reaches a certain threshold. For example, a respondent is adequate in group membership if she or he is an active member of at least one group in the community. The indicators are weighted equally, and a respondent is considered empowered if she or he is adequate in at least 75 percent – or at least 9 out of 12 – of the indicators.

The Three Domains of Empowerment score (3DE) is calculated from these 12 indicators and reflects how many respondents are empowered across the three domains and the extent of their empowerment. Pro-WEAI is a composite index that tells us how empowered the women surveyed are as a group. Pro-WEAI combines the 3DE score with the Gender Parity Index (GPI), which assesses how empowered women are in comparison with the men in their households.

The original WEAI and abbreviated WEAI (A-WEAI) are based on five domains of empowerment: production, resources, income, leadership, and time. In pro-WEAI, we measure many of the same areas of empowerment, but organize them into domains that are more explicitly based on the existing literature on empowerment. Empowerment is a dynamic process: resources enable women to have agency, or the ability to make decisions, through which women can achieve outcomes. The three domains of empowerment of pro-WEAI focus on measuring three types of agency: intrinsic agency (autonomy in income, self-efficacy and attitudes about intimate partner violence), instrumental agency (input in productive decisions, ownership of land and other assets, access to decisions on financial services, control and use of income and work balance), and collective agency (group membership, membership in influential groups). Pro-WEAI includes new indicators of empowerment that were not part of WEAI, assessing areas such as self-efficacy, domestic violence, mobility, and intra-household relationships. Further, many of the indicators of pro-WEAI have stricter cut-offs for adequacy than WEAI to allow for projects to detect changes in empowerment over time. For example, in WEAI, a respondent is considered adequate in control over use of income if she or he has input in decisions about at least one source of income. In pro-WEAI, a respondent is considered adequate in this indicator if she or he has input in decisions about income from all of the income-generating activities in which she or he participates.

Pro-WEAI is intended to measure changes in women's empowerment over the course of an agricultural development project, and it focuses on indicators of empowerment that a project could change. In addition, pro-WEAI includes optional add-on modules to look at women's empowerment in projects that focus on outcomes related to nutrition, health, and livestock.

Nutrition empowerment indicators baseline. The development of a nutrition specific module within pro WEAI and collection of related data provide a unique opportunity to better understand the relationship between woman's empowerment and nutrition and identify the types of interventions that empower women and improve nutrition outcomes for women children and their families.

Mid-Term Review (MTR) will be carried out towards the end of the project's third year. The MTR will cover physical and financial progress as measured against AWPB, performance and financial management of implementing partners and assessment of the technical assistance, training programmes and delivery of project benefits to the target groups. In addition, it is expected that the MTR would look at the effectiveness of GALs to high risk families and assess in detail the socio-economic status of women and youth. The findings and recommendations from MTR will inform the project on decision-making on any adjustments, scaling up and further expansion of project modalities.

Annual Outcome Surveys. The project will commission annual outcome surveys will be commissioned to complement mandatory COI surveys: baseline, mid-term and completion. Survey data will be mutually supplemented as appropriate through regular exchange with government statistics, and other relevant sources of information such as the Living Standards Measurement Surveys. The outcome surveys will also compare the impact of the project on SACP beneficiaries versus other non-SACP beneficiaries.

Project Completion Report/Impact Assessment (PCR) will be conducted during the final year of project implementation. The M&E data collected over the project implementation period will be used as part of a thorough assessment to measure the changes in the livelihoods of the target groups, and for sharing of lessons learned and good practices. The project completion process will include reflection workshops where stakeholders have the opportunity to evaluate the performance of the project, identify success factors and areas of further interventions and discuss the way forward for

sustainability. Key outcome indicators for impact assessment in addition to productivity/profitability of specific value chains and household income and assets will also include resilience to shocks and women's empowerment (specifically impact of GALS).

Knowledge Management and Communications

After the project start-up, SACP will, with support from technical IFAD experts, develop an effective SACP Knowledge Management (KM) Strategy that is linked to the M&E and MIS system to ensure knowledge products are generated and used to improve project performance and results. Lessons learnt in implementation will be actively shared between provinces, clusters and districts. Relevant information will also be disseminated to farmers and other stakeholders. In addition to social media portals, the project will use pictorial farming and production manuals, farmer-to-farmer and farmer-to-private-sector digital networking. Semi-annual review meetings with national and provincial staff and implementing partners will be organised by NPMU to discuss progress towards results in relation to each semi-annual progress report, the format of which will explicitly include a focus on lessons learnt in terms of challenges, good practices, etc. Study tours, exchange visits and learning routes will be organised for lateral knowledge transfer. An effective downward and upward flow of information about project progress to beneficiaries and implementing partners in the field is of utmost relevance in fostering ownership and participation.

The KM Strategy will have a strong focus on documenting best practices as well as positive and negative lessons from SACP implementation experience, supported by reliable evidence and analysis. Resources for studies and reviews and VC and policy workshops and events are provided under Sub-component 3.1. The wider adoption of SACP's documented best practices will be an important measure of its success in knowledge management, especially as SACP is expected to represent a start for a programming approach in smallholder-based VC development, with other investments of the same type to follow with funding from key international financiers.

Grievance Redress Mechanism

SACP's grievance redress mechanisms will build on the existing structures at Ward, District and Provincial levels. Any grievances will initially be registered and resolved through the APG committees or the Ward Development Committees (WaDCos) for the community infrastructure. Any grievances that cannot be resolved at these levels will be reported to the Rural District Councils, which will have representation in the project implementation. Beyond the District Councils, grievances will be addressed through Provincial Councils. The project teams, at the national and provincial levels, will provide information on the grievance redress mechanism available as well as convey the zero tolerance for sexual exploitation and abuse (SEA) as well as the preventing fraud and corruption policies. The information on the policies will be made available through all SACP contracts and on project documents such as leaflets and matching grants proposal templates.

The table depicted below shows a generic grievance redress mechanism that can be applied to the proposed project activities.

Steps	Process	Description	Time frame	Other information
1	Identification of grievance	Face to face; phone; letter, e-mail; recorded during public/community interaction (APG/WaDCo);	1 Day	Telephone number; Email address / contact information

Steps	Process	Description	Time frame	Other information
2	Grievance assessed and logged	Significance assessed and grievance recorded or logged (i.e. in a logbook)	4-7 Days	Significance criteria Level 1 – one off event; Level 2– complaint is widespread or repeated; Level 3- any complaint (one off or repeated) that indicates breach of law or policy provisions
3	Grievance is acknowledged	Acknowledgement of grievance through appropriate medium	7-14 Days	
4	Development of response	Grievance assigned to appropriate party for resolution Response development with input from committees/ relevant stakeholders	4-7 Days 10-14 Days	
5	Response signed off	Redress action approved at appropriate levels	4-7 Days	Senior committee representative
6	Implementation and communication of response	Redress action implemented and update of progress on resolution communicated to complainant	10-14 Days	
7	Complaints Response	Redress action recorded in grievance log book. Confirm with complainant that grievance can be closed or determine what follow up is necessary	4-7 Days	
8	Close grievance	Record final sign off of grievance. If grievance cannot be closed, return to step 2 or refer to Rural District Council/ Provincial Council or recommend third-party arbitration or resort to court of law	4-7 Days	Final sign off by Senior Committee member

The grievance record will also be maintained by the Provincial project team where these are brought to the Rural District or Provincial Councils. The grievances relating to the matching grants, particularly those under category 2 and 3 will be managed through the contracts that will be signed.

DRAFT SACP PROCUREMENT GUIDELINES

General Provisions

This section of the PIM defines the operational basis for undertaking SACP procurement activities. The volume of contracts for works (% to be extracted from the PP once finalized) is predominant, followed by Consulting services (% to be extracted from the PP once finalized). The procurement of goods is estimated at (% to be extracted from the PP once finalized).

SACP procurement activities for commodities (goods, works and services) will be carried out in accordance with the provisions of the country's procurement regulations governed by Statutory Instrument 5 of year 2018 (CAP. 22:23 Public Procurement and Disposal of Public Assets (General) Regulations) to the extent such provisions are consistent with IFAD's Procurement Guidelines and other provisions stipulated in the Financing Agreement. Where divergences appear, IFAD procedures prevail. All procurement of goods (including non-intellectual services), works and consulting services financed by IFAD loan, OFID loan and grants will be carried out in accordance with IFAD Procurement Handbook, December 2010 edition, as updated from time to time, and in accordance with the provisions mentioned in the Financing Agreements or as subsequent officially approved version.

In Appendix 1 of this Procurement Section of the PIM, the identified divergences between IFAD Procedures and the key statutory procurement instruments in Zimbabwe are presented, with guidance on how to organise the SACP procurement activities in cases affected by these divergences.

Prior to undertaking any project procurement activity, the NPMU will publish the General Procurement Notice (GPN) on the following communication channels:

- At least one national newspaper with wide audience for at least one day;
- MLAWRR official web site for 30 calendar days;
- IFAD web site for 30 calendar days; and
- UNDB for 30 calendar days.

Procurement Plan

The first project procurement plan covering the first eighteen (18) months and any subsequent version of it shall be prepared, in line with the Annual Budget and Work Plan activities; and submitted by the unit for IFAD's approval at least 1 month prior to the commencement of each fiscal year (1st of January of each year). Similarly, all ad hoc amendments to the plan will be prepared and submitted for IFAD's endorsement.

For the purpose of this project, the financial thresholds will be those defined by IFAD and as agreed with the borrower in the Financial Letter and Financing Agreement documents respectively. For each commodity, the procurement plan will set forth IFAD's thresholds for prior review as well as the threshold for the use of the procurement method. All activities with an estimated budget falling above the specified threshold are subject to IFAD's explicit No Objection which must be requested and granted through NOTUS. All other contracts shall be subject to post review by IFAD.

The thresholds for prior review and use of the procurement method, respectively, shall be reviewed (either by increase or decrease) throughout the project lifetime at IFAD's discretion and based on the results of the Procurement Risk Matrix.

When preparing the PP, the reported estimated amounts will be revised and updated by the NPMU in consultation with the relevant stakeholders to reflect the prevailing market prices. The estimated amounts contained in the plans approved by IFAD will be used as a basis for assessing the reasonableness of the price.

A copy of the procurement plan shall be communicated to the Special Procurement Oversight Committee by the NPMU for information and acknowledgement.

Relationship, Roles and Responsibilities

All procurement activities will be conducted by National Project Management Unit (NPMU) based in Harare which will include one Procurement Officer, reporting to the Project Coordinator, supported by one Procurement and Administrative Assistant.

Owing to the fact that the project activities will be implemented in five provinces (Mashonaland Central; Mashonaland East; Mashonaland West, Matabeleland North and Midlands), one Junior Procurement Officer will be appointed in each of the four Provincial PIU (PPIU) to support the project procurement activities. The responsibilities of the procurement section within the NPMU responsibilities will include:

- Prepare the annual project procurement plan including any subsequent revision of it, in line with the AWBP, and submit it in time for IFAD's review;
- Supervise the execution of the procurement activities at the NPMU and District level and report directly to the Project Coordinator;
- Liaise with the various stakeholders (both upstream and downstream) in Harare and at the district level for the execution of the procurement activities;
- Manage the implementation of all the procurement activities up to the conclusion of the contract;
- Prepare and request IFAD's No Objection for cases requiring its prior review;
- Ensure the contract management register is updated and maintained regularly; and
- Maintain adequate records and filing for each project procurement case.

The project has three components, all of which include procurement activities and will be implemented through the NPMU with the support of the Provincial PIUs. These components are:

- Component 1: Inclusive Value Chain Development
- Component 2: Climate Proofed Value Chain Infrastructure
- Component 3: Institutional and Policy Support Coordination

Procurement under the matching grants sub-component are subject to IFAD's procurement participation rules and procedures. To facilitate the implementation of the project, the following procurement arrangements for the components will prevail.

I. PROVISIONS RELATED TO PROCUREMENT ACTIVITIES MANAGED DIRECTLY BY NPMU

Component 1: Inclusive Value Chain Development

Procurement under this component will involve contracting individual consultants under sub-component "Business Development Services". IFAD's rules and procedures for the selection of individual consultants will apply. The requesting unit will be in charge of monitoring the contract's implementation.

Sub-component MSME Business Development Services will be implemented through Business Development Companies. The NPMU will recruit in total two companies, each covering two provinces under a framework agreement for a total duration of four (4) years. In this line, IFAD rules and procedures for the selection of consulting services will prevail.

Sub-component "Improved Nutrition and Food Security" will be implemented through up to four service providers, one per province. The arrangement under this sub-component are similar to the MSME Business Development Services ones. All contracts under Component 1 are subject to IFAD's prior review.

Force account. Sub-component "CSA Productivity Enhancement" will be executed through Force Account modality. Under this arrangement, the Government is expected to use its own internal human and financial resources for implementing the activities falling under this component. Prior to commencing the activities under this component, the executing government department must prepare a detailed work plan for the NPMU approval. The work plan must include details on the cost of personnel to be used, cost of the indirect overheads, and the costs the equipment and supplies to be used, using market rates.

All supplies necessary for this component will be procured through a shopping modality and a minimum of three (3) quotations must be collected. The supervision of the execution of the activities under this component falls under the responsibility of NPMU through the Project Coordinator. The NPMU will retain a copy of all documentation pertaining to the undertaking of all force account activities as well as all related payments incurred. Any residual amount or budget under this activity shall be returned to IFAD or re-affected to other project activities.

Component 2: Climate Proofed Value Chain Infrastructure

Procurement under this component will involve exclusively procurement of civil works which will include design, construction and design supervision. The project will conclude framework contracts following mini competition modality for design and design supervision under a single contract. Contracts for civil works will be launched and concluded through two or more lots per district and according to the beneficiary's geographical distribution to minimise the administrative burden of repeating processes multiple times a year. A guideline for launching and managing framework contracts under mini competition will be developed before launching activities under Component 2.

NPMU will ensure contractors strictly abide by the revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations as well as its Policy to Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse. Environmental safeguards will be included in the tender document and contractors will be required to comply with them. In this line, tenders will be supplemented with provisions related to the environmental and social management plans.

All procurement for civil works will be launched under the one envelope modality. The project will use FIDIC contracts for the management and implementation of both the design and supervision contracts (White Book) and construction contract (Red Book).

Component 3: Institutional and Policy Support Coordination

Procurement under this component will involve purchase of goods, services and recruitment of individual consultants.

The procurement of goods will include mainly purchase of vehicles, office furniture and IT furniture for the NPMU and the districts offices. To the extent feasible, the NPMU will group each activity per lot according to their respective nature and complexity. The NPMU, through the Project Coordinator, will liaise with the Central Mechanical and Equipment Office on the technical aspects pertaining to preparing and evaluating tenders. The reception of the goods is expected during the first 12 months of the project life cycle.

Services under Component 3 involves the recruitment of two categories of individual consultants. The first type of the individual consultants will perform the daily and routine project activities and include a mix of individuals recruited externally and internally through secondment. All the recruitment of these consultants, whether externally or on secondment, will be carried in accordance with IFAD's rules and procedures for the selection of individual consultants. The threshold for IFAD's review will be considered by reference to estimated budget of the total contract duration and not annually.

The second type of individual consultants will support the National and VC Policy Development, thematic VC Issues as well as KM products and communication activities. These consultants will be recruited on ad hoc basis and will follow IFAD's procurement procedures for recruiting individual consultants' services. Where feasible the use of framework agreement will be privileged to avoid duplication of administrative efforts.

Contract Management. The management of the contracts and the oversight of the implementation its activities will be the responsibility of the requesting unit or department, which can seek guidance from the Procurement Officer when needed.

II. SPECIFIC PROVISIONS FOR PROJECT COMPONENT 1: INCLUSIVE VALUE CHAIN DEVELOPMENT

SACP will feature, among others, the involvement of community participation⁵³. For the purpose of this PIM, "community" is defined as a physical individual or group of individuals living in close proximity to each other. SACP Community participation in procurement will be guided by IFAD's procurement principles.

There are three categories of direct SACP stakeholders under this component, namely: APG Climate Smart Co-Investments (Category 1); Local MSME Co-investments (Category 2); and VC Lead Enterprise Co-investments (Category 3). Category 2 and Category 3 involves the selection of lead and micro enterprises which will be undertaking through a multi-stage proposal selection over to their special nature, respectively.

During the first stage, an initial screening of the proposals will be undertaken based on the proposed investment idea. Subject to the respective Technical Assessment Committee

⁵³ In the meaning of IFAD's procurement procedures, "community" refers to refers to individuals or groups of project beneficiaries, community groups with no legal status, associations or groups with legal status but with or without separate legal personality as a group, small-scale artisans and other small commercial organizations and guilds, and small local-level organizations that support and facilitate rural agricultural and social activities.

conducting either initial screening and field verification or both and clarification meetings to learn about possible solutions a short list will be established and communicated to NPMU for validation. In the second stage, the qualified/ shortlisted proposers will be requested to submit final proposals, based on which the respective Technical Assessment Committee (TAC) will select/recommend the matching grants beneficiaries.

The assignment of TAC members will be subject to IFAD's no-objection, with rotation of some TAC members at province level. SACP will provide training for all TAC panel members at all levels regarding the selection of MG, with focus on smallholder inclusive value chain development, eligibility criteria of SACP MG mechanism, and integrity principles, conflict of interest, and anti-corruption measures

Both Categories 1 and 2 will include procurement of supplies and small equipment which will be purchased by the beneficiary. A full procurement guideline must be developed at the SACP start-up to assist beneficiaries in their purchases process and ensure value for money of the investment. The process of contracting enterprises under each category is presented below.

STEPS	LEAD ENTERPRISE INVESTMENTS	LEAD TIME	STEPS	SMALLHOLDER / MICROENTERPRISE INVESTMENTS	LEAD TIME
Step 1	Call for proposals SACP announces the Matching Grants opportunity and conditions, and calls for investment proposals from Agribusiness Enterprises.	1 day (following GPN advertisement of 30 days)	Step 1	Smallholder support system established Local level project implementation units established and capacitated on SACP strategy and instruments.	1 day (following GPN advertisement of 30 days)
Step 2	Response to Call for proposals Agribusinesses communicate their investment ideas in short concept notes. Investment ideas to upgrade any smallholder-inclusive value chain are welcome, including not previously identified.	30 days advertisement	Step 2	Identification of APGs Community consultations held on SACP. Existing Agriculture Producer Groups (APG) and potential new APGs identified. APG formalization supported.	After receipt of agribusiness expressions of interest
Step 3	Proposal screening and short listing SACP conducts an initial screening of the expressions received: (i) eligibility of applicants, (ii) correctness of proposals, and (iii) field verification.	15 days	Step 3	Advertisement for the Call for proposals SACP announces the Matching Grant opportunity and conditions, and calls for investment proposals from APGs and Microenterprises.	30 days after APG identification. Thereafter twice per year
Step 4	Preparation of full proposal Pre-selected agribusinesses develop full proposals including (i) business plans, (ii) financial analysis, (iii) development benefits to smallholder households.	30 days	Step 4	Response to Call for Proposals APGs and Microenterprises communicate their investment ideas in short concept notes. Investment ideas within any value chain are welcome, including not yet identified.	30 days advertisement
Step 5	Technical Assessment Committee SACP Technical Assessment Committee (i) conducts scoring of the full proposals against agreed criteria, and (ii) makes recommendation for selection.	15 days	Step 5	APG/Microenterprise Technical Assistance Agribusiness and agriculture specialists to provide APG TA regarding (i) business plan development, (ii) climate smart agriculture, (iii) financial literacy and planning, (iv) nutrition.	42 days

Step 6	IFAD No Objection The recommended Agribusiness Proposals proposals and TAC reviews are sent to IFAD for no-objection. IFAD reviews, comments and/or provides no-objection.	8 days		Step 6	APG/Microenterprise business plans As result of the technical assistance, the APGs and Microenterprises complete their investment proposals and submit these to SACP.	20 days
Step 7	Investment Committee and Investment Start-up Investment Committee formally decides on the investment. SACP informs the Agribusiness. First tranche of the financing made available. Implementation.	15 days		Step 7	Technical Assessment Committee and Start-up Provincial TAC (i) conducts scoring of the full proposals against agreed criteria, and (ii) makes decision for selection. First financing tranche made available. Implementation.	30 days after receiving the business plans.
Step 8	Implementation, Reporting, Monitoring, Evaluation The Agribusiness implements its business plan, and reports to SACP. SACP facilitates and conducts M&E.	Depending on the contract terms		Step 8	Implementation, Reporting, Monitoring, Evaluation The APG/Microenterprise implements its business plan, and reports to SACP. SACP facilitates and conducts M&E.	Depending on the contract terms

Category 1, related to APG Climate Smart Co-Investments, will target mainly small farmers. Supplies under this category will include mainly commodities such as seeds, farming materials and small construction materials to be purchased by the grantees themselves acting as procurement agents. Each grantee will be required to include a micro plan along his/ her business plan. For all purchases above US\$ 500.00, the grantees will be required to collect 3 quotations and retain all the evidence of their purchase. This threshold will be revised based on the results and lessons learnt of the first round of grants.

APPENDIX 1

Identified Divergences Between IFAD Procedures and Statutory Instrument 5 of 2018 [CAP. 22:23 Public Procurement and Disposal of Public Assets (General) Regulations, 2018

Article n.	Subject	Observations/ Identified Divergences
PART I – PRELIMINARY		
Article 1	<i>Title</i>	No observations.
Article 2	<i>Interpretation</i>	No observations.
Article 3	<i>Non-application of regulations in certain circumstances</i>	No observations.
PART II – PREPARATION FOR PROCUREMENT		
Article 4	<i>Registration of bidders and contractors</i>	No observations.
Article 5	<i>Engagement of procurement agent</i>	No observations.
Article 6	<i>Shared procurement</i>	Not applicable.
Article 7	<i>Procurement plans</i>	No indications on the timeline for preparing the PP or reporting line for approval. Derogation. IFAD Model to be adopted and updated throughout the project life cycle. Procurement plans to be advertised on IFAD's website, Gazette, Borrower's website and newspapers, as applicable.
Article 8	<i>Domestic preference</i>	Not applicable.
Article 9	<i>Market consultations</i>	Not applicable.
Article 10	<i>Financial thresholds</i>	Derogation. SACP to use IFAD's financial threshold for the use of the procurement methods
Article 11	<i>Framework Agreements</i>	Derogation. SACP to use IFAD's guidance in concluding FAs
Article 12	<i>Procurement by embassies and public bodies operating outside Zimbabwe</i>	Not applicable.
PART III – METHODS OF PROCUREMENT		

Article n.	Subject	Observations/ Identified Divergences
Article 13	<i>Use of two-stage method of competitive bidding</i>	Provisions under this method are insufficiently detailed. Circumstances where to use this method; no provisions on the criteria for selection/ evaluation at the first stage; extension of bid revision (as provided for in the article); conditions and procedures for conducting pilot study not defined (risk of conflict of interest).
Article 14	<i>Use of pre-qualification in competitive bidding</i>	Derogation. IFAD's thresholds for the use of national and international procedures to prevail, as established in the 18-month PP of the design and later on in the latest approved PP.
Article 15	<i>Use of restricted bidding method</i>	Establishment of the standing list is unclear. No requirement for call for Expression of Interest to establish the list (explicit no requirement for advertisement). No provisions surrounding the criteria for inclusion and modalities for enrolment in the standing list. No provision for the criteria of selection from the standing list. Derogation. Use of IFAD's procedures under Framework Agreements instead.
Article 16	<i>Use of direct procurement method</i>	No detail on the situations under which this modality is applicable. Derogation. Use of IFAD's rules for single sourcing.
Article 17	<i>Use of request for quotations method</i>	No observations.
PART IV – INVITATION TO BID		
Article 18	<i>Domestic and international bids</i>	No specific observation. Derogation. Use of IFAD's threshold for the selection of the appropriate method to prevail and as agreed in the latest approved Procurement Plan.
Article 19	<i>Timeline for advertising</i>	Derogation. Use of IFAD's respective minimum timeline for advertisement.
Article 20	<i>Content of the bidding documents</i>	No award criteria. Derogation. All SBD to include the award criteria (including shopping modality).
Article 24	<i>Investigation into unsuccessful procurement proceedings</i>	Provisions concerning investigations undertaking are imprecise. The constitution of the panel members and the undertaking of the process.
Article 26	<i>Bid security</i>	* Contradicting provisions. 26 (1) provides bid securities not to exceed 2% however 26 (2) allows contracting authorities to consider additional factors which renders this clause subject to the authority's own judgement. Comments on the following bid security forms: (iii) a cash deposit to the Authority: risk of money laundry; (iv) any alternative form permitted by the Authority to facilitate participation by small enterprises in procurement: not precise. Bid validity twenty-eight days after the end of the bidding period: validity period is too low. ** Paragraph (5): forfeiting a bid against "(b) the bidder refusing to accept a correction of an

Article n.	Subject	Observations/ Identified Divergences
		<p>arithmetical error appearing on the face of his or her bid" is not a practice.</p> <p>*** Does not provide for the requirement to request an extension of the bid performance security.</p> <p>Derogation. Use of IFAD's procedure and guidance in matter related to bid security.</p>
PART V – OPENING AND EVALUATION OF BIDS AND AWARD OF CONTRACT		
Article 27	<i>Bid opening requirements</i>	<p>The Act requires the "procurement management unit" to proceed to the bid opening witnessed by quoted "one or more persons appointed by the entity's accounting officer". No further precisions on the constitution and entitlement to be part of the committee.</p> <p>Derogation. Use of IFAD's procedure and guidance on the matter.</p>
Article 28	<i>Examination of bids</i>	No observations.
Article 29	<i>Correction of arithmetical errors</i>	<p>Clarification of bids – requested timeline for reverting (from bidder's side) of 48 hours only is restrictive.</p> <p>Evaluation of bids para "4" – statement "minor deviation" is not well defined – risk of misinterpretation and/or abuse.</p>
Article 30	<i>Evaluation of bids</i>	<p>Not sufficiently detailed. No explicit requirement to apply evaluation criteria in the assessment of the tenders. No provisions under two envelop modality. Provisions suitable for one envelop procedure only.</p> <p>Derogation. Use of IFAD's procedure and guidance on the matter.</p>
Article 31	<i>Correction of arithmetical errors</i>	<p>The Act does not require the committee to revert to the bidder for confirming arithmetical errors. No provision on the type and nature of information to be requested under clarifications.</p> <p>Derogation. Use of IFAD's procedure and guidance on the matter.</p>
Article 32	<i>Scrutiny by Special Procurement Oversight Committee</i>	No observations.
Article 33	<i>Notification of contract award</i>	<p>No requirement for publication but 14 calendar days stand still period.</p> <p>Derogation. Use of IFAD's procedure and guidance on the matter.</p>
Article 34	<i>Performance security</i>	<p>Performance security amount remains at the contracting authority discretion. No detailed provisions on the reduction of the performance security. Possibility for Cash performance securities (risk of money laundry).</p> <p>Derogation. Use of IFAD's procedure and guidance on the matter.</p>
PART VI – Procurement of Consultancy Services		

Article n.	Subject	Observations/ Identified Divergences
Article 35	<i>Interpretation in Part VI</i>	No observations.
Article 36	<i>Thresholds for expressions of interest and scrutiny by Special Procurement Oversight Committee</i>	Potential conflict with IFAD's threshold. Derogation. Use of IFAD's procedure and guidance on the matter.
Article 37	<i>Terms of reference</i>	Deviation from IFAD's procedures (includes a cost estimate, no provision for the evaluation criteria, no provision on the modality for evaluating and ranking offers, no provision on the minimum advertisement timeline, purpose of provision 37- e not clear). Derogation. Use of IFAD's procedure and guidance on the matter.
Article 38	<i>Deadlines for submission of proposals</i>	No minimum period for submission of proposals under the single-source selection method. Derogation. Use of IFAD's procedure and guidance on the matter.
PART VII – Integrity and Transparency		
Article 39	<i>Procurement records</i>	No observations.
Article 40	<i>Reports to Authority</i>	No observations.
Article 41	<i>Code of Conduct for procurement officers</i>	No observations.
Article 42	<i>Ethical responsibilities of bidders and contractors</i>	Insufficient details provided by the article.
PART VIII – Challenge Proceedings		
Article 43	<i>Interpretation in Part VIII</i>	No observations.
Article 44	<i>Security for costs</i>	Applicable Charges for challenging a process.
Article 45	<i>Procuring entity to give reasons for decision regarding challenge</i>	No timeline for providing a response. In case where the procurement authority concedes a challenge, the Act provides for the possibility of selecting a new bidder (it is not clear whether this assumes that the process will be re-advertised).
Article 46	<i>Review of procurement by Authority: preparation of lists of</i>	No provisions on the profiles required in the panel. Derogation. Use of IFAD's procedure and guidance on the matter.

Article n.	Subject	Observations/ Identified Divergences
	<i>panellists</i>	
Article 47	<i>Disqualifications for appointment as panellist</i>	Provision b) assumes a moral person to be part of the panel. No provision under conflict of interest. Constitution of the panel does not preclude members from the contracting authority to be part of it. Derogation. Use of IFAD's procedure and guidance on the matter.
Article 48	<i>Publication of lists of panellists</i>	No observations.
Article 49	<i>Training of panellists</i>	No observations.
Article 50	<i>Review panels</i>	No observations.
Article 51	<i>Conditions of service of panellists</i>	No observations.
Article 52	<i>Duty of panellists to be impartial and independent</i>	No observations.
Article 53 to Article 55	<i>Secretariat and secretarial services for review panels</i>	No observations.
Article 56	<i>Application for review</i>	Does not provide under which circumstances the application for review will be sought.
Article 57 to Article 58	<i>Respondent's reply</i>	No observations.
Article 59	<i>Meetings of review panel</i>	No provisions related to the timeline for the case review.
Article 60 to Article 61	<i>Evidence in review proceedings</i>	No observations.
Article 62	<i>Appeals to the Administrative Court or other Courts</i>	No detailed provisions related to the conducting of appeals at the administrative court level or the impact of the decision on the procurement process.

Article n.	Subject	Observations/ Identified Divergences
PART IX – Contract Management		
Article 63	Procurement contracts	63 (a) – ambiguity “ <i>unless the bidder has offered more favourable terms and conditions</i> ”, potential bias/ lack of transparency, equal treatment among tenderers. Lack of clear provisions related to variations. 63 (4) – unfair treatment to international suppliers (potentially deterring their interest)
Article 64	Advance payments	64 – 2 (unfair treatment between national and international contractors) Derogation. Use of IFAD’s procedure and guidance on the matter.
Article 65	Reports on performance of procurement contracts	No observations.
PART X – Disposal of Public Assets		
Article 66 to Article 67	Not assessed as not falling within SACP’s procurement mandate.	
PART XI – Debarring of Bidders and Contractors		
Article 68	Interpretation in Part XI	No observations.
Article 69	When bidders and contractors may be debarred	69 (a) & (b) – conflict of interest.
Article 70	Recommendation to debar bidder or contractor	No provision on the circumstances or ground justifying the debarment. No provision on the conduct of the debarment.
Article 71	Debarment committee	71 (c) – No precisions are provided for this panel member.
Article 72 to Article 77	Procedure for debarring bidder or contractor	No observations.
PART XII – Joint-Ventures		
Article 78	Interpretation in Part XII	No observations.

Article n.	Subject	Observations/ Identified Divergences
Article 79	<i>Accounting officer for certain joint venture projects</i>	Unclear provision
Article 80	<i>Expressions of interest from counterparties</i>	No observations.
Article 81	<i>Expressions of interest from counterparties</i>	Requests for proposals listed un Joint Ventures PART XII of the Act
Article 82	<i>Request for proposals</i>	No observations.
Article 83	<i>One-stage bidding</i>	No observations.
Article 84	<i>Two-stage bidding</i>	Possibly erroneous use of the term (Two stage bidding) – procedure seems to refer to prequalification instead No provisions specific to the undertaking of the negotiations with the suppliers. Derogation. Use of IFAD's procedure and guidance on the matter. (two stage bidding)
Article 85	<i>Evaluation of proposals</i>	Restricted mainly to proposal financial cost.
Article 86	<i>Negotiations for joint venture agreement</i>	Procurement modality not provided for in IFAD's rules and procedures.
PART XIII – General		
Article 87 to Article 94	<i>Accounting officer for certain procurements/ Special Procurement Oversight Committee/ Licensing/ Discipline/ Forms/ Fees/ Trust accounts/ Offences</i>	No observations.
First Schedule (Sections 2 and 39) – CODE OF CONDUCT FOR PROCUREMENT OFFICERS ARRANGEMENT OF PARAGRAPHS Not assessed as not falling within SACP's procurement mandate.		
<i>Matters not covered by the Instrument where IFAD's provisions prevail.</i>		Procurement of individual consultants. Provisions for single sourcing. Applicable Procurement principles. Evaluation methods. Applicable weighting.

B. DRAFT SACP FINANCIAL MANAGEMENT GUIDELINES/MANUAL

The detailed draft SACP Financial Management Guidelines are presented below in the attached Annex 1 to the PIM of SACP.

Annex: SACP Draft Financial Management Manual

I. INTRODUCTION

1. The Financial Management Manual (FMM) outlines the necessary financial procedures and practises to be followed by the Programme Coordination Unit (PMU) during implementation. This manual is to be considered a living document and it is to be reviewed and updated during implementation. It is to be read together with the Programme Implementation Manual, and the Procurement Manual. It is also important to note this manual makes references to the following key documents: (i) SACP Financing Agreement, (ii) IFAD General Conditions, (iii) Letter to the Borrower, (iv) IFAD Guidelines on Project Audits, (v) Loan Disbursement Handbook, (vi) GoZ Public Finance Management Act (vii) Treasury Instructions, (viii) Audit Act, (ix) SACP design report and (x) Accounting Officers Instructions. Therefore, it is fundamental that the project staff, especially the National Programme Coordinator (NPC) and the Chief Accountant master these documents in the early stages of programme implementation. Below are links for the generic documents listed above

[Loan Disbursement Handbook](#)

[General Conditions for Agricultural Development Financing](#)

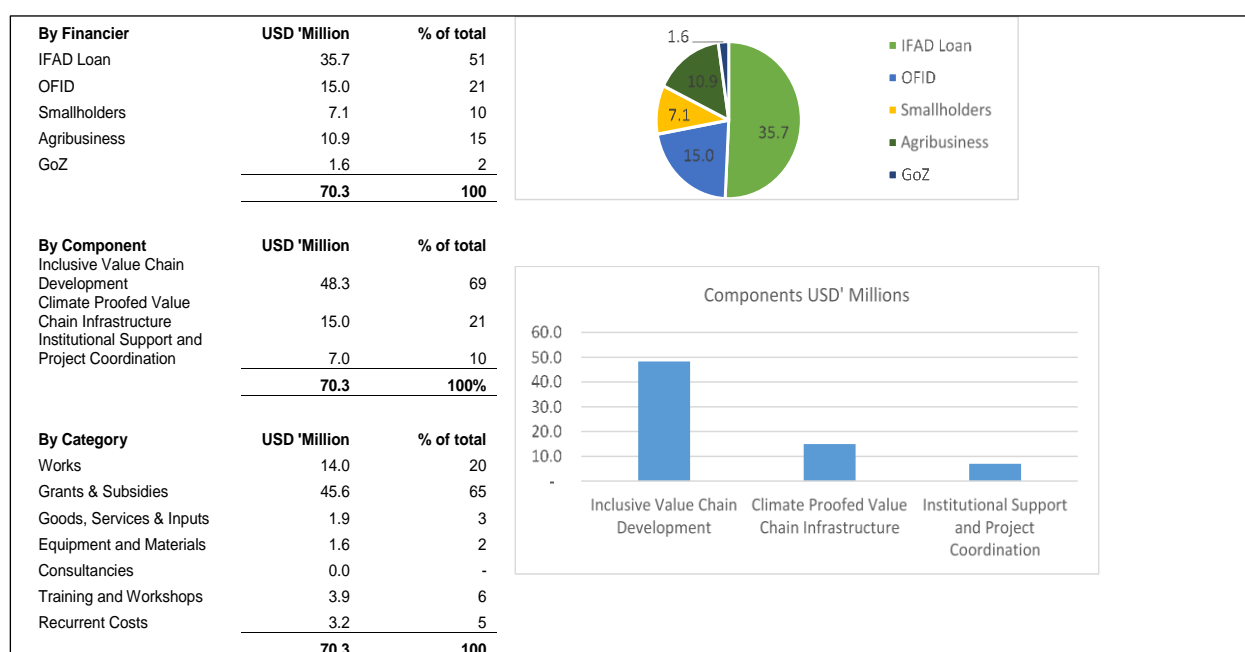
[Conceptual Framework on Financial Reporting and External Audit of IFAD-Financed Projects](#)

[IFAD Handbook for Financial Reporting and Auditing of IFAD-financed Projects](#)

2. **Financing package.** The Smallholder Agricultural Cluster Project (SACP) is a US\$ 70.27 million with a goal to reduce vulnerability to food insecurity, to climate change effects and to economic shocks. The Programme Development Objective is to “*Increased smallholder participation in market-oriented and climate-smart value chains*”. This will be achieved by using private sector-led value chains as crucial instruments for climate smart and commercially viable smallholder transformation. It is a six year Programme with five funding sources some of which will not pass through PMU but will have to be accounted for in the SACP accounting system.

Smallholder Agricultural Cluster Project

Figure 1: Summary of SACP cost structure



3. **Fiduciary responsibility:** The key implementers in the SACP financial management have fiduciary responsibility to ensure that SACP funds are used exclusively for intended purposes. Poor financial management in the implementation of SACP could result in failure to achieve its intended impacts. IFAD will undertake supervision missions that will include a review of all fiduciary aspects, will undertake review of audit reports, and may commission own audits/ reviews. The GOZ as well has systems and structures to ensure that public funds are used for intended purposes.

4. **Transparency, governance, anti-corruption.** The SACP Governance and Anti-Corruption Framework are in line with IFAD's Anticorruption Policy⁵⁴, with the aim to mitigate the risk of corruption and promote effective utilisation of resources, including the following aspects:

- a) The provisions of this financial management manual articulating the type of internal controls and administrative systems to be established towards transparency and accountability;
- b) the accounting system that will substantially reduce the scope for human error;
- c) the risk-based implementation reviews of programme financial management and staff;
- d) the back-up procedures kept on the PMU's computers to avoid the loss or damage of financial data;
- e) SACP will also include a systems audit in the TORs of the auditors and in the supervision plan; and
- f) Internal audit department of MLAWRR will include the programme in its yearly internal audit oversight plans. The implementation status of the internal audit recommendations will be addressed and made available to the fund.

5. IFAD zero tolerance policy for corruption and fraud urges persons observing concerns of irregular practices in IFAD funded projects to report to the IFAD Office of Audit and Oversight through any of the following means:

- By telephone: +39 0654592888
- By confidential fax: +39 0654597888
- By confidential email: anticorruption@ifad.org or by using the online [complaint form](#)
- In person or by mail to: IFAD - Office of Audit and Oversight (AUO): Investigation Section - Via Paolo Di Dono, 44 - 00142 Rome, Italy

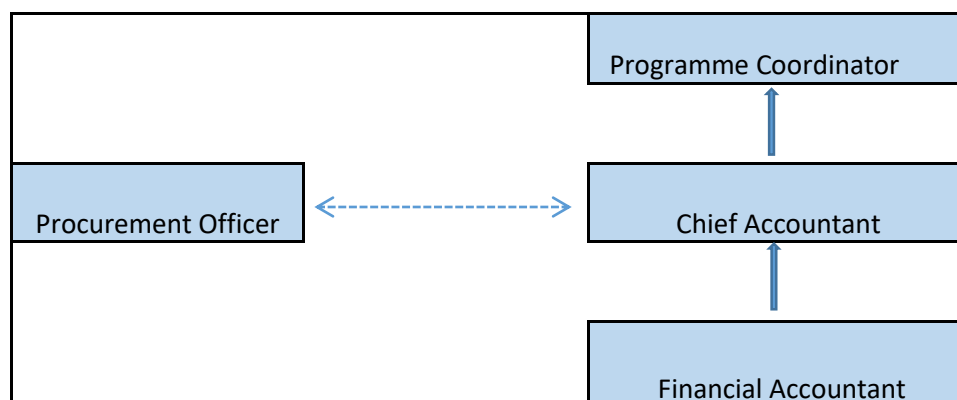
6. **Supervision.** SACP will be jointly supervised by GOZ and IFAD every six months. The financial management Specialist will review the performance of the project with providing guidance in areas where problems or challenges are noted as well where the project will need further guidance in the adherence to IFAD guidelines. The aim will be to resolve all issues related to the financial management of the project during or shortly after each supervision mission. Terms of reference for the supervision missions will be prepared by the IFAD Country Director.

7. **Users of the Manual.** Within the PMU, the finance team will include the following: Programme Coordinator; Chief Accountant and Financial Accountant. Non-finance staff will be involved, in their capacities as users, providing technical inputs in expenditure justifications. The Procurement Unit (PU) will play a special role in contractual certification of payments before these are passed to the Chief Accountant for payment processing. As such, even non-finance staff should be cognisant of the contents of the financial management section of the PIM because they also have a fiduciary responsibility to ensure SACP funds are used only for intended purposes.

8. **Organisation and Staffing:** SACP PMU finance team will comprise of a Chief Accountant who will be competitively recruited and tasked to set-up the financial management systems of SACP. The GoZ will also second to SACP a Financial Accountant at the national PMU from the first year of SACP. The PMU finance team will be responsible for the accounting function of the Programme, such as funds flow (including following up justifications), preparation of annual financial statements, periodic financial reporting and overseeing the arrangements for audits in accordance with GoZ procedures and IFAD's audit guidelines. The engagement of the SACP recruited or seconded finance team will be subject to IFAD's prior approval with their responsibilities clearly defined in TORs which will form the basis of annual performance evaluations.

⁵⁴ https://www.ifad.org/documents/38711624/40189363/fraudpolicy_eb86_e.pdf/e2ae80aa-e423-4d7c-a582-c01c1917b427

Figure 2: Finance team reporting structure within PMU



9. SACP will pursue a team work approach as part of integrated programme coordination. Under the integrated programme coordination approach the segregation of duties for financial control will need to be maintained. The finance team will work closely with the non-finance staff to achieve a sound financial control system.

10. With respect to organisation and staffing, IFAD supervision missions will be interested in:

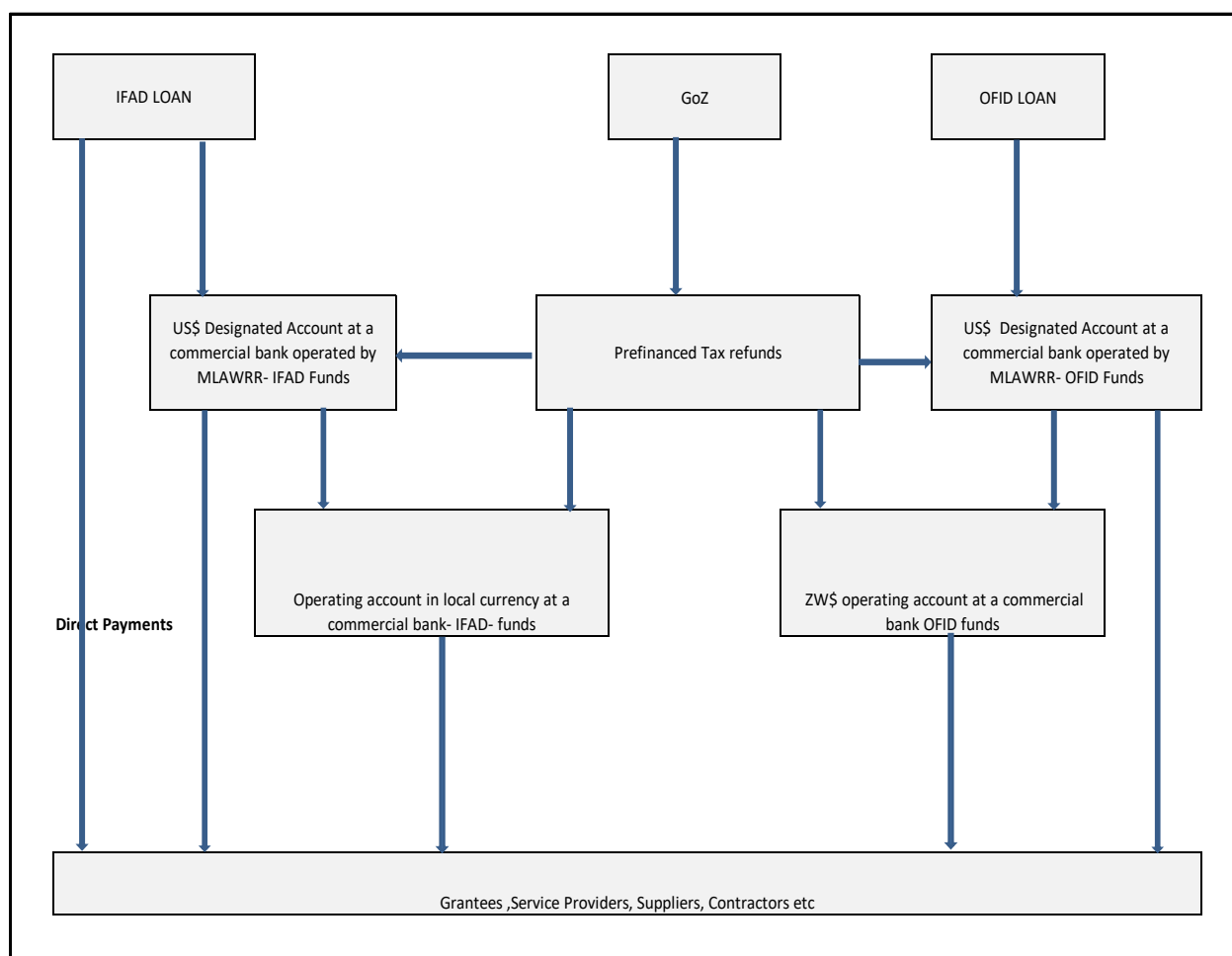
- a) Adequacy of organizational structure to meet functional needs of the programme. Therefore, the structure above should not be changed without IFAD concurrence;
- b) Availability of clear job description for key programme positions, including fiduciary positions;
- c) Adequacy of project financial management staff (numbers and skill) matching functional needs of programme;
- d) Availability and adequacy of operating manuals and guidelines for staff;
- e) Existence of a performance based evaluation system in place and timely completion of performance evaluation for all staff;
- f) Adequacy of health insurance coverage for all staff;
- g) Timely payment of social security fees; and
- h) Staff adequately informed about IFAD's anti-corruption policy and relevant contact details.

II. FLOW OF FUNDS

11. **Designated and Operating account:** MLAWRR will open a US\$-denominated designated account at a commercial bank acceptable to IFAD to receive loan funds from IFAD. Upon approval and signing of a separate Financing Agreement in respect of the OFID loan, MLAWRR will open a separate US\$ designated account at a commercial bank to receive loan funds from OFID. The designated accounts will be managed by the PMU which will be charged with the preparation of all disbursement requests and justifications. SACP financial obligations in foreign currency will be paid from the US\$ designated accounts. MLAWRR will also open operating bank accounts at a commercial bank to receive and hold the financing transferred from the designated accounts for the IFAD funds and OFID funds respectively from which SACP financial obligations in local currency shall be met.

12. GOZ will fund taxes and duties on programme expenditures through tax waivers on imported goods and services. The government will maintain separate dollar account to provide for funds to cover for taxes. Transfers of these funds to the project operating account to meet the taxes will be done on a quarterly basis in the foreign currency to mitigate potential currency mismatch risks. Other GoZ contributions shall be in form of salaries to seconded staff and provision of office space.

Figure 3: SACP flow of funds



Accounting implications of the above funds flow chart are as follows:

13. The disbursement of funds into the IFAD Designated Account will follow the imprest/replenishment mechanism, whereby an authorized allocation, sufficient to cover six months' worth of expenditure (based on an approved AWPB) shall be advanced and subsequently replenished upon the submission of Withdrawal Application by the Borrower to IFAD.

14. The PMU will have the responsibility of coordinating and ensuring the smooth flow of funds so that funds are available as and when necessary to meet programme financial obligations towards suppliers, service providers and contractors. This will involve: (i) establishing the liquidity requirements of each implementing agency based on the approved AWPB; (ii) preparing and dispatching bank transfer instructions to MLAWRR to ensure that there is sufficient liquidity in the operational accounts at all times; (iii) following up on any funds advanced to implementing agencies and ensuring the timely justification thereof; (iv) maintaining the supporting documentation underlying expenditures incurred by the programme in order to prepare Withdrawal Applications for submission to IFAD; and (v) ensuring that the Authorized Allocation is fully accounted for at all times through regular preparation of periodic reconciliation statements for the designated account.

15. The day-to-day expenditures incurred by each of the programme's implementing agencies at the national, provincial and district levels will be settled from these accounts. The operational accounts will be managed by PMU and MLAWRR with the Director of Finance as a Principal Signatory. For a payment to go through at the programme accounts it must have two signatures; one from category A and another from Category B. The signatories to the bank accounts will be as follows:

<i>Category A Signatories</i>	<i>Category B Signatories</i>
<ul style="list-style-type: none"> ✓ Director of Finance/MLAWRR. ✓ Programme Accountant 	<ul style="list-style-type: none"> ✓ Three officers from MLAWRR appointed by the Accounting Officer of MLAWRR and approved by MOFED. ✓ Programme Coordinator

16. The programme will procure services from public/private institutions through calls for expression of interest to deliver some aspects of programme activities in the capacity of Service Providers (SPs) and will be governed by output-based performance contracts. Funds for implementation of activities in such relationships will be disbursed by the PMU directly to the SPs. Any advance payment will be in line with public procurement provisions and stipulated in the contracts for service provision.

17. Programme grantees under the Inclusive Value Chains Investments matching grant facility will be required to open specific bank accounts for receipt of grant funds and for banking their own matching contribution. Transfers of grants will be in tranches based on achievements of certain milestones by the grantees as defined in the grant agreements. Matching grants will be expensed at the point of disbursements and will be included in the withdrawal application at that point. Utilisation of grant proceeds will be monitored for consistency with the terms and conditions under which the grant would have been awarded. The Matching grants will be subject to a performance audit after a an agreed milestone of disbursement that will be included in the Financing agreements.

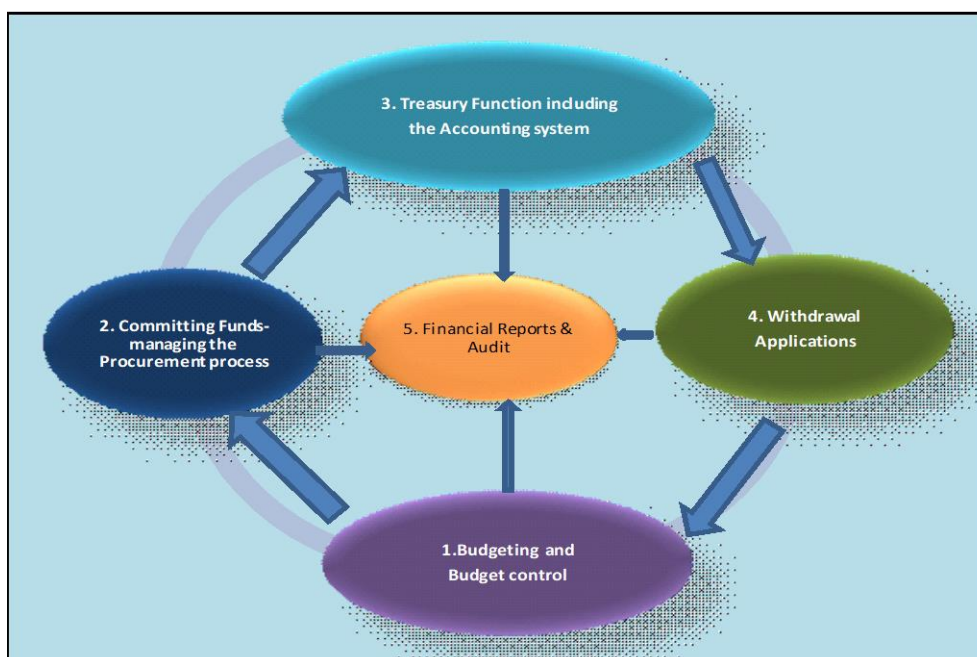
18. With respect to funds flow, IFAD missions will always be interested in the following aspects:

- a) Timeliness of funds disbursed by different sources (and co-financiers funding if applicable).
- b) Timeliness of counterpart funds disbursed.
- c) Efficiency of the funding channels. Timeliness and traceability of funds flows.
- d) Designated Account(s) and Operating Account Management, Disbursements.
 - i) Adequacy of the authorized allocation to ensure a smooth flow of funds;
 - ii) Appropriateness of disbursement methods used;
 - iii) Adequacy of documentary support for SOE disbursements, reimbursements, directs payments and Special Commitments;
 - iv) Timely preparation and accuracy of Withdrawal Applications;
 - v) Authorization of WA preparation;
 - vi) Status on expenditures withdrawn from Designated Account but not yet claimed for replenishment (old cases will be queried);
 - vii) Regularity of Designated Account(s) monitoring and monthly reconciliations signed by the project Coordinator. Mission will always review and assess the reconciliations; and
 - viii) Disbursement rate compared to the AWPB and whether satisfactory given the remaining implementation time.

III. The SACP financial management cycle

19. Financial management in Government Programmes such as SACP is to be established as a routine and highly standardised process and will follow an annual cycle of inter-dependent steps. It will start with planning and budgeting. In financial control, **any expenditure incurred outside the approved budget will be declared ineligible for IFAD financing.** After the AWPB is approved together with the procurement plan, the next step is the process of committing funds. While this largely is a procurement function, the finance team will have a role to play. Following on from commitments will be the treasury functions, payments to eligible contractors, service providers, suppliers. The finance team will have to exercise efficiency in turnaround of withdrawal applications to IFAD to ensure liquidity challenges do not hamper implementation. The final routine in financial management is financial reporting and auditing. This manual has been arranged as to cover each of these aspects of the annual financial management routine as presented in chart 4 below.

Figure 4. The SACP annual financial management cycle



A. Step 1: SACP Annual Work Plan and Budgeting

20. Annual Work Plan and Budget (AWPB) is the key instrument for SACP implementation and operational control. The PMU, therefore, gives particular attention to budget preparation and control. During day-to-day financial management, an approved AWPB is the most important document, and the principal guide on what to do and how to use resources. In the context of SACP financial management, the AWPB is more than a guideline. It represents:

- a) *a commitment of PMU and implementing agencies to carry out a set of activities, produce specific outputs and achieve certain targets; and*
- b) *Agreement by GoZ and IFAD that the planned activities are appropriate in light of the SACP objectives and approval to spend the necessary money as specified in the annual budget.*

21. The AWPB is a means by which Government of Zimbabwe and IFAD will have provided “**prior approval**” to PMU to spend resources on the activities included in the AWPB. It should be taken very seriously, as any expenditure incurred outside the AWPB will be queried by auditors, supervision missions and will be declared ineligible for IFAD financing.

22. The detailed steps to be followed in the preparation of the AWPB are included in the IFAD guidelines for preparation of AWPBs and progress reporting. The Procurement planning aspects are covered under the Procurement Manual.

23. **Timing:** The draft AWPB should reach IFAD two month before commencement of the year in question, that is, by 31 October of each year. It is equally important that AWPB preparation schedule be in tandem with Government budgetary process since SACP budget should pass through Government budgetary approval process and SACP must be included in the GoZ printed budget estimates.

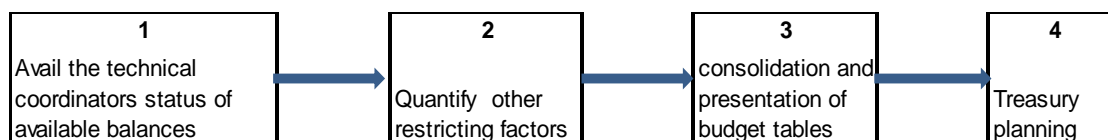
24. The following AWPB preparation schedule is provided for guidance. It should be reviewed and modified as may be necessary in consultation with the MLAWRR and other key stakeholders.

Table 1: ANNUAL WORK PLAN AND BUDGET SCHEDULE

Activity/ steps	Schedule	Responsibility
(i) Briefing on preparation of AWPB, provision of guidelines and format to key implementing agencies.	End April	PMU, PC, M&E Specialist supported by Chief Accountant and Director, Agricultural Economics and Markets
(ii) Call letter from PMU for the preparation of AWPB to participating institutions.	Early May.	Letter drafted by PM&E Specialist and sent under the signature of Programme Coordinator.
(iii) Preparation of AWPB by participating institutions. Submission of AWPB proposals to PMU	May/June.	Focal point identified by the respective institutions. Head of participating Institutions
(iv) Preparation of consolidated Annual Work Plan and Budget.	Mid-July	M/E Specialist and Chief Accountant with support from PMU members
(v) Review/Agreement on draft AWPB by participating institutions	end July	Meeting called by Programme Coordinator
(vi) Review by PSC	Early August	PSC
(vii) Finalization by PMU	Mid-August	PM&E Specialist or PC
(viii) Submission to MLAWRR for incorporation into MLAWRR budget	Last week August	Programme Coordinator
(ix) Submission to Parliament	Mid-September	MLAWRR
(x) Submission of draft AWPB to IFAD	October	Programme Coordinator
(xi) Comments from IFAD	Mid November	IFAD CPD
(xii) Approval by Parliament/information	November/December	Parliament
(xiii) Finalization of AWPB/Distribution to implementing institutions	End December	Programme Coordinator Office

25. **Role of finance offices in AWPB preparation:** In the planning and budgeting stage, the SACP finance officers perform the four functions below:

Roles of SACP finance staff in budgeting process



26. **Role 1: Avail SACP Budgeting teams the status of available balances:** Technical coordinators will play an important role in facilitating budget preparation for activities in their respective realm. This does not however imply that they can solely dispose of the component budget as the respective sub-components are interrelated with others. SACP will adopt an integrated team work programme management approach.

SACP Budgeting holders

1.1: Cluster Identification and VC Mobilization	Senior Social Inclusion Specialist/Senior VC and Agribusiness Advisor
1.2: Technical Services for APGs and Agribusinesses	Senior VC and Agribusiness Advisor
1.3: Matching Grants for Inclusive VC Investment	Senior VC and Agribusiness Advisor
2.0 Climate Proofed Value Chain Infrastructure	Senior CSA Advisor Senior Infrastructure Specialist
3.1: Policy and Institutional Support	KM and Comms Specialist/ Programme Coordinator
3.2: Project Coordination	Project Coordinator/ PMU

27. Prior to the start of the planning and budgeting exercise, the Chief Accountant (CA) provides each of the above budget holders the respective sub-component status of available balances and overall category-wise implications. The CA does this by making extracts from the accounting system and obtains from IFAD a status of funds balances available category-wise. From the accounting system, the CA also obtains balances component-wise, including up to the major activities as described later in the manual. The status of funds available should be adjusted by deducting commitments, WAs in the pipe line and projected expenditure for the remaining part of the current year. The adjusted information about the status of funds is provided to the above named budget holders so that they are aware of budget ceilings. A working form that can be used in Ms Excel to determine the available balance is as given below. The accounting software shall assign historical expenditures to each of the planning units as described above and in the tables below.

Working Form to determine status of available balances (US\$) by category of expenditure analysed separately for IFAD loan, OFID loan and GoZ counterpart contribution

Category	Available cash balance) ⁵⁵	Less Commitments ⁵⁶	Less WA's in Pipe Line	Less Projected Expenses to the end	Net Available Balance
Works	x	x	X	x	x
Grants and Subsidies	x	x	X	x	x
Goods, Services and Inputs	x	x	X	x	x
Equipment and materials	x	x	X	x	x
Training and workshops	x	x	X	x	x
Consultancies	x	x	X	x	x
Recurrent Costs	x	x	X	x	x
Total	x	x	X	x	x

28. The net available balance should also be broken down according to components, sub-components and major activity headings so that planners are able to determine the relative weights for each component/ sub-component in the AWPB as illustrated in the table below. It is important to keep a relative balance between components so that some components do not lag behind.

⁵⁵ IFAD Flex cube Statement of Funds (convert to US\$) plus balances for domestic financiers well reconciled to the computerized accounting system to be installed by SACP

⁵⁶Take care to roll-over commitments into next year's budget

Working Form to deduce status of available balances budget units (US\$) by sub-component of expenditure analysed separately for IFAD loan, OFID loan and GoZ counterpart contribution

Budget unit	Available cash balance) ⁵⁷	Less Commitments ⁵⁸	Less Projected Expenses to the end	Net Available Balance
Cluster Identification and VC Mobilization	x	X	x	x
Technical Services for APGs and Agribusinesses	x	X	x	x
Matching Grants for Inclusive VC Investment	x	X	x	x
Climate Proofed Value Chain Infrastructure	x	X	x	x
Policy and Institutional Support	x	X	x	x
Programme Coordination	x	X	x	x
Total	x	X	x	x

29. **Role 2: Other disbursement restricting factors:** Whereas available balances may set the ceiling of what to include in the AWPB, there are other restricting factors. The CA will quantify these and communicate to the budget holders/ sub-component heads at the start of the planning season; examples will include:

- The realistic amount that can be replenished from IFAD.
- Time lag between commitment and disbursement.
- Existing obligations to complete on-going works.

30. **Role 3: Consolidating the SACP AWPB:** In the AWPB there is a number of finance tables that have to be consolidated by the CA and his or her team, working closely with the PM&E Specialist. While the consolidation of the AWPB into one document will be led by the M & E Specialist, the finance tables will be a responsibility of the CA. These tables will include:

- Past year financial performance and cumulatively
- Consolidated Annual Budget Summary
- Component of expenditure/receipts summary
- Category of expenditure/receipts summary
- Category of expenditure/receipts summary by financier
- Component of expenditure/receipts summary by financier
- Detailed Activity based annual Work Plans and Budgets for each budget responsibility centre

31. The formats for each of the above summary are available in the IFAD guideline for AWPB preparation and progress reports.

32. **Treasury planning:** This will be part of the AWPB preparation. The CA, as part of AWPB processing, will earmark the bigger items that can be paid for through direct payments and those that have to be paid for from the operational bank accounts. This will be translated into a monthly cash flow forecast to ensure there is sufficient liquidity even in peak periods. **Sample AWPB templates are included at Appendix 1**

33. Under Work plan and budgeting IFAD supervision missions will always be interested in:

- Timely preparation and approval of AWPB.
- AWPB in line with expenditure categories in Financing Agreement Schedule 2.
- Financing sources and implementing agencies for each category in the AWPB are identified.
- Linkage between AWPB and Procurement plan.

⁵⁷This will be as per SACP accounting system

⁵⁸Take care to roll-over commitments into next year's budget

B. Step 2: Committing funds

34. Commitment of funds is largely a procurement function covered under a separate procurement manual. The finance team will have a role to play in the procurement cycle including:

- a) Providing the status of available balances ahead of each procurement launch to avoid over-committing SACP/ GoZ. This will require CA to maintain a detailed analysis of commitments.
- b) This means contracts cannot be signed off without the CA entering them into his/her system.
- c) The authentication, custody and execution of any financial instruments such as performance bonds, advance guarantees will be a responsibility of the Programme Accountant.
- d) The financial progress elements of the contract monitoring forms will be a responsibility of the Programme Accountant.

C. Step 3: Treasury function including the accounting system

35. The NPMU will operate a fully functional accounting software in form and substance satisfactory to IFAD for maintaining its accounts. SACP shall deploy an off-the shelf accounting software to be procured at the onset of the programme and installed at the NPMU with customisation to generate financial reports for GoZ and for IFAD to disclose use of funds by component, sub-component, activity, cost category and each of the funding sources, and will incorporate budgetary control at activity level. IFAD will continuously review the Grants Module of the Public Financial Management System (PFMS) during implementation to determine its readiness for SACP accounting. The PFMS is currently being used by GOZ donor-financed projects such as by World Bank and by the Global Fund.

36. The project will adopt the IPSAS accrual basis accounting standards in accordance with GoZ accounting requirements for externally financed projects. SACP will maintain a multi-currency general ledger to facilitate automatic generation of financial reports in US\$ and ZW\$.

37. **Setting the chart of accounts:** SACP will sufficiently code the off-the-shelf accounting package to optimise its use. In setting the chart of accounts:

- a) The customisation will be in such a way as to disclose use of SACP funds by component, sub-component, activity, cost category and each of the funding sources to be collated through the software.
- b) Customization will also include reference to the GoZ's Chart of Account (COA). Budgetary control at activity level to be incorporated.
- c) The system shall be set to produce auto Statement of Expenditures (SoEs).
- d) It should be set to print at a click of a button, the designated account reconciliation at any one time; and
- e) The key activities and codes allocated should be agreed with M&E Specialist as the key ones that the latter will be monitoring from physical progress side. This will ensure that there is a convergence between the Chief Accountant's monitoring (financial progress) and the M&E Specialist (physical progress). This coding approach will be applied consistently across the entire PMU from the coding of the AWPB, procurement requisitions and other documents, payment vouchers, the accounting system and PM&E physical input level monitoring.

38. **Expenditure-attribution.** Use of the accounting software will ensure the traceability of the funding. In this, activities will be traced – right from planning to be followed through by the accounting system up to withdrawal application – to either OFID, or to the IFAD loan. Activity level expenditure codes in the accounting system shall be aligned to activities codes contained in the AWPB.

39. **Accounting for Beneficiary Contribution:** all project financing sources (IFAD financing, counterpart contributions, beneficiary cash contributions and co-financier funds, whether in cash or in the form of tax exemption) and all in-kind contributions must be duly valued and accounted for in the project financial statements. Such contributions shall be subject to external audit.

- a. **Recognition:** The contribution by an individual, unit or organisation of a service or product to SACP free of charge shall be classified as in-kind contribution. All in-kind costs must be eligible, actual, evidenced and essential to the delivery of the project. For SACP beneficiary contribution may in the form of cash deposited by participating communities to match grant funds of the share of the sub-project costs, labour, construction materials, agricultural products, plots of land


etc. The GoZ contribution will be in form of tax exemptions, salaries for GoZ staff seconded to SACP and provision of office space.

- b. **Measurement:** In-kind contributions should be recognised at fair market value. "Fair market value" is defined as the agreed-upon price in an open and unrestricted market between knowledgeable and willing parties who are dealing at arm's length and who are fully informed.
- c. **Disclosure:** It is the ultimate responsibility of SACP Chief Accountant to ensure that the reported fair-market value for all items involving an in-kind contribution is reasonable and correctly and fully disclosed in its financial statements.

It is incumbent upon the SACP Chief Accountant to ensure that in-kind contributions recognised at the grant proposal evaluation stages are incorporated in the milestones defined in the grant agreements so that they are measured in the normal course of the grant monitoring process for subsequent disclosure in the financial statements **Example of information required for beneficiary contribution is included at Appendix 5**

Records Management

40. Financial records must be created and preserved for every financial transaction performed under the programme. Financial records are defined as any financial information including written, computer data, internal forms, e-mails, or any other form of storage information originated from the PMU such as internal forms, journal vouchers, financial reports (Monthly & quarterly) copies of cheques and withdrawal applications etc. or received by the PMU such as supplier invoices and receipts, bank statements, IFAD documents etc. within the framework of the project's official activities. The objective of this procedure is to preserve the financial records and files for further official use by the PMU, for financial audit and for review by the Fund during the supervision missions. The programme's financial records are the property of the MLAWRR and cannot be removed or destroyed.

41.  It is important to note that in accordance with the IFAD general conditions, the GoZ has to maintain the original records for a minimum 10 years after SACP completion.

42. **Filing of the financial records.** The Finance team will maintain chronological files in which the financial documents have to be filed for future reference. Filing should be performed daily to prevent the accumulation of papers and to ensure that the financial records are maintained in an up-to-date manner at all times. Each financial record should be filed under its code in a chronological order, with a sequential number assigned to every document. Any kind of additions or amendments to the financial document should be filed in a chronological order immediately following the principal document. A separate series of vouchers will be filed for each operational account opened.

43. **Storage of financial records:** The financial records of the project should be stored in the PMU/and/ or MLAWRR for a minimum of 10 years after the project completion. The data should be stored within the accounting software, as paper copies, as scanned copies and as computer disc copies. The Chief Accountant should allocate an appropriate storage area for the financial records in paper format and maintain them in locked cabinets, safe from water and fire, to which access is controlled and limited. The CA should also classify the financial records as "Confidential", or "General". All important correspondences should be filed.

44. **Archiving of financial records:** In order to prevent an unnecessary pile-up of files in a limited office space, the Chief Accountant should make sure that the financial records are archived on a regular basis. Once a year, the Chief Accountant should make sure that the completed or inactive files are archived in a manner that will allow for easy retrieval of the files in case they are required at some future date.

45. **Back-up procedures:** To avoid the loss or damage of financial data, the information should be kept in two copies: i) at the computer server and ii) in the locked cabinets of the PMU. Only authorised personnel should be allowed to access the financial records. The access of external persons is prohibited except for authorised persons such as investigators, auditors & IFAD staff/ consultants with prior arrangement.

46. Under the area of accounting system, IFAD missions will be looking out for the following aspects:

- a) Basis of accounting- SACP should comply with the cash basis of accounting with the required disclosures;
- b) Adequacy and reliability of accounting system- therefore the project should ensure to comply with the internal controls around the accounting system;

- c) Recordkeeping (including documentation and filing/archiving);
- d) Fixed assets register maintained and reconciled;
- e) Adequate documentation and controls for Information Systems, including documented accounting procedures, backup of financial records, integration of all sub-systems;
- f) Adequacy of chart of accounts for SACP accounting purposes;
- g) Timeliness of recording transactions, regularity of performance and approval of reconciliations, controls on erroneous recordings; and
- h) Appropriate/ adequate accounting and reporting of counterpart funds contributions (including tax and tax exemptions) as well as beneficiary contributions.

Internal controls and expenditure documentation

47. It is emphasised that SACP is GoZ programme and, therefore, will comply with GoZ allowances applicable to externally financed projects for travel and accommodation unless otherwise specifically agreed formally between IFAD and GoZ.

Payment Documentation

48. For all payments, the Chief Accountant should ensure that the following steps are performed:
- a) A payment request voucher should be prepared for each payment.
 - b) Validation of invoice. The following validation checks should be performed by the Finance Team on invoice:
 - Invoice arithmetically correct; and
 - Quantity and price recorded on invoice should be checked back to contract, order, and certification of completion/delivery. If there is any discrepancy identified, it should be raised with the vendor prior to proceeding with invoice processing,
 - c) Supporting documentation: the following documents should be attached to the payment voucher to support validation:
 - invoice;
 - Required approvals;
 - Purchase order, goods received note and contract if applicable; and
 - Copy of required guarantees

49. **Minimum documentation.** To ensure that the finance unit collects all the supporting documents, the following checklists are provided; they should be ticked-off carefully and attached to each payment voucher.

Table 2: Payment Checklists

Standard Goods	(Tick)
1. Complete written voucher, duly approved	
2. Confirmation by <i>Procurement Officer</i> that the Procurement was properly done in accordance with GoM and IFAD procedures	
3. Attach copies of relevant <i>No Objections</i> from IFAD, where applicable	
4. Availability of supporting documentation	
a) Contract	
b) Invoice	
c) Evidence of payment	
d) Bank guarantee	

e) Delivery notes/reports (Make Cross Reference where bulky)	
5. Fund availability in:	
a) Budget. Ensure - the accounting system's budget controls have been updated	
b) Category(ies)	
6. Accuracy of computations / footings	
7. Reviewed optimality of the disbursement method	
8. Banking instructions	
9. Correspondence bank	
10. Percentage of financing	

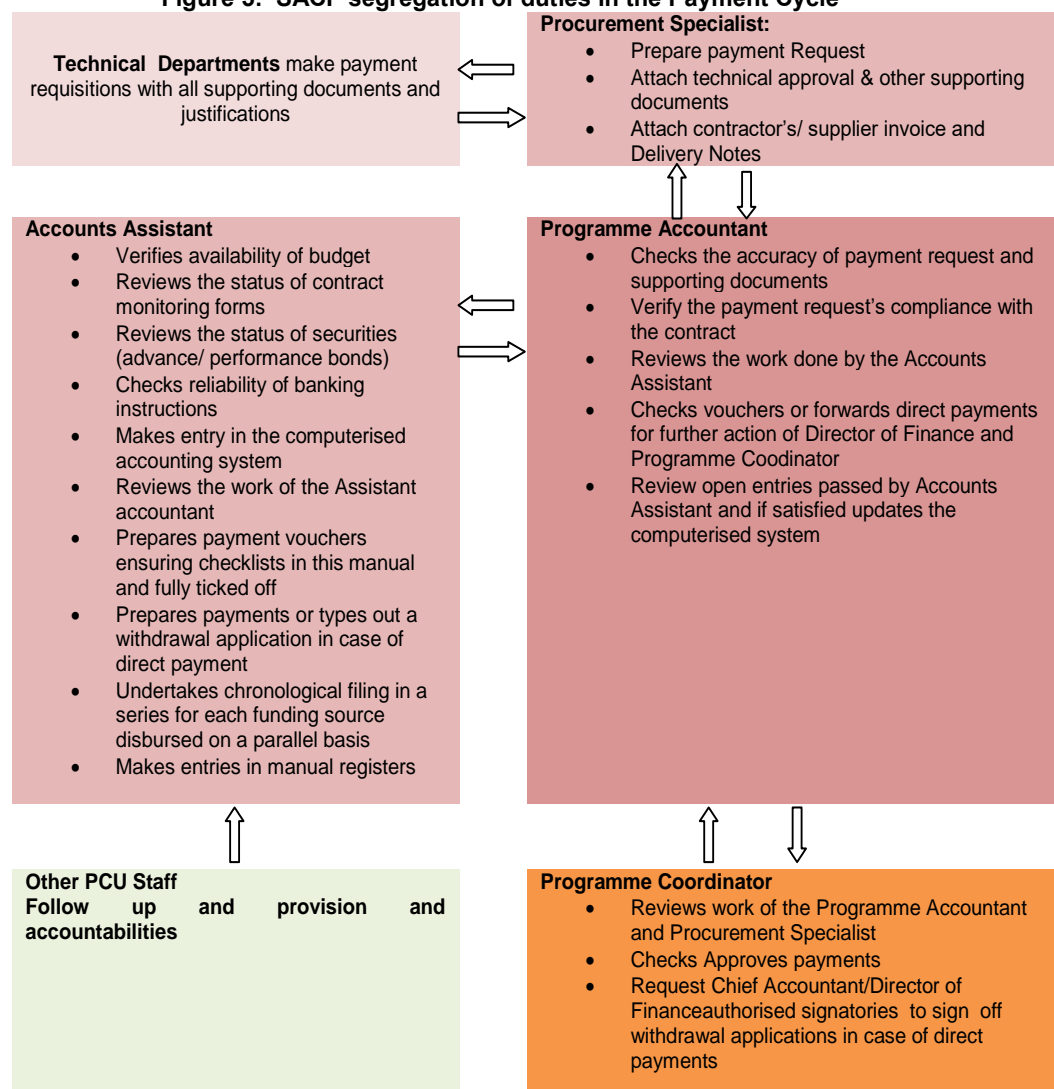
In-Country Workshops	(Tick)
1. Attendance sheets	
2. Attendance sheets should be reconciled to DSA paid	
3. Availability of supporting documentation	
a) Training report	
b) Hotel receipts / bills for meals and accommodation (should be reconciled to attendance sheets)	
4. Procurement record on how the venue was selected	
5. Justification for any fuel refunds and related support	
6. Fund availability in	
a) Budget. Ensure PMFS budget controls have been updated	
b) Category(ies)	
7. Accuracy of computations / footings	
a) Invitations and related IFAD's <i>No Objection</i>	
b) Availability of supporting documentation	
- Boarding passes reconciled DSA days taken	
- Back to Office Reports	
c) Fund availability in	
- Budget. Ensure accounting system's budget controls have been updated	
- Category(ies)	

In-Country Workshops	(Tick)
d) Accuracy of computations / footings	

Consultancies	(Tick)
1. Timesheets in comparison with the work done	
2. Attach copies of relevant <i>No Objections</i> from IFAD, where applicable	
3. An acceptable / approved report	
4. Availability of supporting documentation a) Contract b) Invoice c) Evidence of payment d) Bank guarantee for advances	
5. Fund availability in c) Budget. Ensure accounting system's budget controls have been updated a) Category(ies)	
6. Accuracy of computations / footings	
7. Banking instructions Correspondence bank	

Adequate segregation of duties: SACP financial management system shall be designed to assure adequate segregation of duties . No single officer shall be allowed to originate, process, approve or sign off payments or to certify the receipt of any related goods and services all by him/ herself The payment cycle for works and goods will follow the following pattern:

Figure 5: SACP segregation of duties in the Payment Cycle



50. **Payments for Consultant Services:** There are two types of consultants' services; a) Consultants with a lump sum contract, and b) Consultants with a time-based contract. For type (a) consultants, payments will be made against the delivery of outputs as detailed in their contracts. For type (b) consultants, payments will be made against the submission of a time sheet, a report on activities performed and the assurance (by a technical coordinator) of the adequacy of services rendered. Both time sheets and reports will need the technical approval of the technical component head before the payment can be entertained.

51. Similar arrangement above to assure segregation of duties will apply for regular office supplies and travel related expenditures. **Detailed TORS for the SACP finance staff are attached at Appendix 9.**

Fixed assets control

52. Fixed asset management is an important process that seeks to track fixed assets for the purposes of financial accounting and to ensure preventive maintenance, and theft deterrence. Adequate Fixed asset maintenance also increases the sustainability of the project.

53. **Asset Register.** The Chief Accountant must maintain a register of all (material) SACP equipment. The asset register should record the following information for each individual piece of equipment: 1) Asset description, 2) Asset number, 3) Serial number of the item, 4) Officer responsible for asset, 5) Funding of asset (IFAD, Government etc.), 6) Location; Date of purchase; and 7) Estimated life. **Sample forms for asset records are included at Appendix 4.**

54. **Asset Verification Review.** The Chief Accountant must ensure that a verification count of all equipment recorded in the fixed asset register is performed at least once a year. This should include the following checks:

- a) Verify that all equipment is still held in the location recorded on the register; and
- b) Check that equipment is still in a reasonable state of repair.
- c) Discrepancies between the verification exercise and the fixed asset register should be investigated. Where assets are missing or seriously damaged, they should be removed from the asset register. The removal should be formally documented and approved by the Programme Coordinator and notified to PSC.
- d) The verification review must be performed by different staff from those who use the equipment, to ensure adequate segregation of duty.

55. **Vehicle Maintenance and Fuel.** The drivers are required to record all trips and fuel refills in a logbook and collect all the supporting documentation (different if fuel cards/vouchers are used). The vehicle logbook provides control over the use of the vehicles as well as fuel consumption. For official field trips, a special cash provision is given to drivers to allow them to purchase fuel during the trip and payment of tollgate fees..

56. The safety of cars is the responsibility of the recipient staff members and drivers assigned to the vehicles. Consequently, they must ensure that the cars are parked in a secure area when not in use or outside working hours. The drivers are required to monitor the maintenance of their assigned vehicles under the supervision of the Administrative Assistant. The drivers must notify the Administrative Assistant of maintenance needs (including periodic servicing) so that the cars can be serviced on a timely basis. **Sample documents for vehicle and fuel management are included at Appendixes 6 and 7.**

57. The Chief Accountant should on a monthly basis review the mileage and fuel usage as well as any undertaken service as reported in the log book of each car and compare these with the official invoices and travel authorizations etc. to make sure the numbers are accurate. These should be signed off by the Programme.

58. An insurance policy must be taken by the PMU to cover all cars and passengers against all risks, including damage, theft, and fire, as well as injury and property damage to third parties.

59. Under internal controls, IFAD missions will be keenly interested in the following aspects:

- a) Segregation of duties- are the following functional responsibilities performed by different units or persons:
 - i. authorization of a transaction;
 - ii. execution of a transaction;
 - iii. recording of the transaction; and
 - iv. Custody of assets involved in the transaction.
- b) Clarity and adequacy of decision processes and sequence of events for control functions in project implementation reflected in the Financial Manual (or equivalent there-of).
- c) Adherence to Project Management manuals.
- d) Effectiveness and efficiency of internal controls over inflows of funding sources other than IFAD.
- e) Adequacy of contract management (use of contracts register and monitoring form) and filing there-of.
- f) Effectiveness and efficiency of internal controls over expenditures (full cycle from commitment, payment, receipt of goods and services, approval of payments, classification, etc.)

- g) Documentary evidence to confirm delivery and acceptance of contracted goods, works or services.
- h) Physical controls over cash, documents and records. Adequacy of filing systems. Missions will review the petty cash subject to monthly reconciliation as well as surprise checks; custody of cash box and control of keys.
- i) Adequacy of physical management of cash.
- j) Timely payment to suppliers and consultants.
- k) Eligibility of expenditures with respect to Financing Agreements.
- l) Legality/eligibility of advances from project funds and timely justification for use thereof.
- m) Compliance with financial management covenants in the Financing Agreement and Letter to the Recipient (LTR).
- n) Adequacy of up-to-date record keeping for fixed assets and inventories.
- o) Adequacy of controls concerning project assets including:
 - i. Vehicle and other assets management (assets should be property tagged and a physical inventory count done on a regular basis)
 - ii. Fuel management (Drivers should maintain a vehicle log book)
 - iii. Travel authorisations (including Daily Subsistence Allowance (DSA) paid to staff)
 - iv. Adequacy of vehicles and assets insurance.
- p) Workshops:
 - i. Availability of list of participants
 - ii. DSA paid to participants
 - iii. Receipts for workshop expenditure
- q) Adequacy of controls and authorisation process for use of funds (payments, transfers, Cash/Bank balance management) / and other operational accounts.
- r) Banking arrangement and controls (reconciliation of bank statements with financial accounts).
- s) Existence of a proper IT support unit in place.

D. Step 4: Withdrawal Applications

60. The authorised allocations for SACP will be based on projected disbursements per semester which will be determined during the final stage of the design. The threshold for statements of expenditures (SOEs) is proposed at US\$25,000 in line with the overall high inherent fiduciary risk rating the programme has attained at design.

61. The replenishment of the Special Account will be done in accordance with the disbursement rules and procedures of the IFAD. The programme will make use of the standard disbursement methods including: i) direct payment method for bigger payments over US\$ 100,000; ii) use of designated account; and iii) reimbursement if the GOM has pre-financed any transactions. Detailed instructions for disbursements will be included in the Letter to The Borrower (LTB) issued by IFAD for SACP the contents of which will be discussed and agreed with the GOZ.

62. The finance team must be efficient in submission of the withdrawal applications to IFAD otherwise liquidity can be a hindrance to implementation. A tool that can be used to measure the efficiency of a replenishment process is the designated account reconciliation as shown below. Thus the designated account reconciliation should not always be prepared for inclusion in a WAs and should be used, on a monthly basis, as a performance measure as illustrated below.

Figure 6: Illustrating that Designated Account Reconciliation is good Treasury Management Tool

		US\$	Management Tips
1	Total initial advance by IFAD	xxx	This reconciliation should give the whereabouts of this advance and the CA should always on a monthly basis be interested to know the whereabouts of the initial deposit.
2	LESS: Amount Recovered by IFAD	-	
3	Outstanding Advance to Designated Account	xxx	
4	Balance of Designated Account as per Bank Statement from the Commercial bank	xxx	If less than 50% of the initial deposit can be traced to bank statements, this can always alert the CA and SACP Coordinator of lingering cash flow problems by looking at lines 4 and 5
5	Balance on Project Operational Accounts as per Bank Statements	xxx	
	Total of Bank Balances	xxx	
6	Plus Total Amount claimed in this Application No.	xxx	If this amount is materially higher than 30% of the initial deposits it would point at laxity in the replenishment system. If for example, this amount is twice or more than the minimum amount for replenishment, It would tell PC that the CA could have lodged a WA when expenditure reached the minimum amount of 30% of the initial deposit and there could be over bulking/ inefficiency.
7	Plus Total Amount withdrawn from bank accounts not yet claimed	xxx	This should cause the SACP Coordinator to demand why money to this magnitude has been withdrawn but is not being included in the WA. The PC should always demand for a schedule of this amount—it reflects inefficiency and results in cash flow problems to have large amounts of money from bank accounts and take a long time to be replenished back. Secondly care should be taken that this figure is not only inserted as a <i>balancing figure</i> , which would reflect that the designated account is not well managed.
8	Plus Amounts claimed in previous Applications not yet credited at date of Bank Statement	xxx	The WAs in the pipeline, if they take long to be processed, could reflect that IFAD raised many queries on the quality of the WAs, in which case the SACP Coordinator could request for staff training; or it could be delays on the side of IFAD and in which case the PC would still have to initiate follow-up from IFAD. It is advisable for the PA to always follow the status of the WA on IFAD' Client Portal.
9	Minus Interest Earned		
10. TOTAL ADVANCE ACCOUNTED FOR		xxx	If this total does not equal to the outstanding initial deposit, the PC should demand explanation. It is so serious to fail to reconcile the initial deposit

63. It is key for CA to know SACP treasury position at all times in order to better manage the SACP's liquidity position in a timely and efficient manner. The key goals are to ensure that:

- There are sufficient funds in treasury to meet the SACP's field activities for implementation.
- the disbursement rate of the project closely follows the physical activity progress;
- Increase in the performance level of SACP and meeting its objectives as in the PDR.

64. The key elements on project treasury position are:

- Status of Designated accounts balances (Using the cash books as at reporting date)
- Status of the operation accounts balances (Using the cash books as at reporting date)
- The status of cash in hand (Using the cash book as at reporting date)
- The money value of WA with IFAD for reimbursement
- The money value of WA to be submitted to IFAD

65. CA should prepare regular cash and expenditures rolling monthly cash flow forecasts. This will help to detect periods of liquidity gaps so that appropriate adjustments in work scheduling or any other remedial actions can be taken proactively.

E. Step 5: Financial reports and auditing

66. Periodic financial progress reports are a requirement of the IFAD Financing Agreement. Sufficient information must be made available about what the money is spent on, how much is spent and what the results are. The major financial reports include the following: AWPB, monthly financial reports, periodic financial progress reports, supervision reports, annual financial statements and audit reports. IFAD has now developed guidelines for Interim Financial Reporting (IFR) to guide the progress reporting. These have been included in the resource pack. **Sample reporting templates are included at Appendices 2 and 3**

67. Under financial reporting, IFAD missions will be looking for:

- a) Completeness, accuracy, usefulness, and timeliness of financial reports;
- b) Interim FM reports and linkage to progress reports - timely preparation, submission to IFAD;
- c) Preparation of reports showing actual vs budget income/expenditure and AWPB execution rate;
- d) Follow up of previous aide-memoirs fiduciary recommendations; and
- e) Reasonable alignment between disbursement rate of recurrent versus investment cost categories.

Audit arrangements.


68. The project audit is an ex-post review of financial statements, records of transactions & financial systems; It examines the adequacy of accounting systems & procedures, capacity to maintain appropriate accounts & documentation of the project expenditures. The objective of the project audit is to provide credibility and assurance of accountability.

69. **External audits:** External audits for the project will be performed by independent private firms during the initial years of implementation in line with guidelines spelt out in the IFAD Handbook on Financial Report and Auditing for IFAD funded projects. IFAD will continuously perform reviews together with the Office of the Auditor General of Zimbabwe to assess its readiness in staffing capacities to conduct audits for IFAD funded projects. The audit will provide an opinion on the financial statements as well as ensure a review of the internal control framework of the project for which a management letter will always be issued together with the audited financial statements. IFAD Guidelines for Project Audit provide a comprehensive guide for both PCU and the auditor and include audit Terms of Reference. **A draft TOR has been appended to this manual as a guide at Annex 9.** Under the area of external audits, IFAD missions will be looking out for:

- a) Adequacy of scope and ToR.
- b) Adherence to ToR.
- c) Timeliness of audit report.
- d) Quality of audit.

70. **Internal audits:** Internal audit will be covered by the lead agency/MLAWRR internal auditors. However, there is also the option of outsourcing to an internal audit firm should the Lead Agency fail to provide the services. Under the area of internal audit, IFAD missions will be looking for the following:

- e) Existence of Internal Audit arrangements.
- f) Adequacy of internal audit arrangements (organization - staff capacity).
- g) Adequacy of internal audit scope of work and quality of reports.
- h) Assessment of matters raised in audit reports.

71.  In accordance with the IFAD general conditions and the IFAD guidelines for project audits, the PMU must have SACP financial statements audited by an External auditor acceptable to IFAD. The Audited financial statements need to be sent to IFAD no later than 6 months after the end of the fiscal year. The detailed instruction regarding project audit are outlined in the IFAD guidelines for project audits available at <http://www.ifad.org/pub/basic/index.htm>

F. LOAN COMPLETION AND CLOSING

72. The closing of the loan is due six months after the project completion date. Both the completion and the closing date of the loan have financial implications on the project management such as: development and submission of a recovery plan, ensuring eligibility of expenditures and submission of the necessary documents outlined below. Please also refer to section 1.3 of the Disbursement Handbook.


73. **Recovery plan.** To ensure that the designated account is completely and timely justified, the Chief Accountant /PMU has to develop and submit to the Fund a so called recovery plan outlining the percentages per withdrawal application that will be recovered and paid respectively. The recovery plan should be submitted to the fund around 6 months before the completion date or when the outstanding balance (amount still undisbursed by IFAD) is less than the double of the authorised allocation. **Please refer to Appendix 8 for a sample recovery plan.**

74. **Loan Completion.** The IFAD loan completion date will be defined in the Financing Agreement. By the completion date all the project activities must have been finalised. The payments can be done also after the completion date, as long as the commitments/ contracts are signed prior to the completion date. Activities that have continued after the completion date are considered as ineligible expenditures and can therefore not be financed by the IFAD funds.

75. After the completion date but no later than the closing date (six months after the completion date) the PMU can still incur expenditures related to so called winding up expenditures e.g. Final Audit, Project completion report, Project staff salaries involved in the winding up activities, PMU maintenance cost, project completion workshop.

76. **Loan Closure.** The Fund requires the following to be provided by the PMU in order to close the loan:

- a) Confirmation of last withdrawal application;
- b) Submission of final audit report;
- c) Submission of project completion report

77.  The Final Audit Report has to cover, the final project year up to the final expenditures and it can be paid from the loan available balance by using, for example, direct payment or reimbursement of pre financed expenditures

Appendix 1: Sample annual work plan and budget templates

Table 1: Detailed AWBP Template

Sub -Component/ Activity	Unit	Planned Quantities				Unit (US\$)	Budget (US\$'000)					Expenditures by Financiers (US\$ '000)						
		Qrt 1	Qrt 2	Qrt 3	Qrt 4		Qrt 1	Qrt 2	Qrt 3	Qrt 4	Total	IFAD Loan	OFID Loan	Smallholders	Agribusiness	GoZ	Total	
Cluster Identification and VC Mobilization Activity X																		
Technical Services for APGs and Agribusinesses Activity X																		
Matching Grants for Inclusive VC Investment Activity X																		
Policy and Institutional Support Activity X																		
Project Coordination Activity X																		
Total																		

Table 2: AWBP Summary Table by category and financier

Category	IFAD Loan		OFID		Smallholders		Agribusiness		Government		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Works	-	-										
2. Grants & Subsidies												
3. Goods, Services & Inputs												
4. Equipment and Materials												
5. Consultancies												
6. Training and Workshops												
7. Recurrent Costs												
Total												

Table 3 : AWPB Summary Table by component and by category

	Sub Component 1.1	Sub Component 1.2	Sub Component 1.3	Component 2.0	Sub Component 3.1	Sub Component 3.2	Total
I. Category 1							
II. Category 2							
III. Category 3							
III. Category 4							
III. Category 5							
Total							

Appendix 2: Sample templates for monthly report for management use

Table 1: Monthly Budget Execution Report

[illegible]

Table 2: Petty Cash Reconciliation Form

Project _____ Date of reconciliation _____

Part I. Petty cash reconciliation

Petty cash balance brought forward (a) _____

Replenishments during the current month (b) _____

Total petty cash balance (c = a + b)

Disbursements during the current month (d) _____

Petty cash book balance (e = c – d)

Cash count balance (f) – see part ii. below _____

Difference (G = E – F)

Explanation Of Difference

Part II - Cash Count

Description	Quantity	Total amount
bank notes		
100		
50		
10		
coins		
Total in local currency		

Counted/reconciled by (Financial Accountant) _____

Reviewed by (CA) _____

Date _____

Table 4: Monthly fuel consumption report

Project Name:

Lead Project Agency: MLAWRR

Reporting period:

Monthly fuel Consumption report as at DD/MM/YYYY						
Vehicle	Location	Quantity (litres)	Cost (reporting period in US\$)	Annual Planned (US\$)	Cumulative Cost (annual in US\$)	Variance (%)
Total						

Appendix 3: Sample periodic financial progress report

Table 1: Statement of cash receipts and payments

(by category and by financier)

	notes	20xx	20xx-1	Cumulative to date
		US\$	US\$	US\$
1 - Initial cash balance / or cash balance brought forward		XX	XX	
FINANCING:				
- IFAD funds received:				
- Initial deposit				XX
- Replenishment of the Designated Account	XX	XX	XX	XX
- IFAD Direct Payments	XX	XX	XX	XX
- Funds received by the government - if any	XX	XX	XX	XX
- Funds received by the beneficiary - if any	XX	XX	XX	XX
- Other receipts - if any	XX	XX	XX	XX
2 - TOTAL FINANCING		XX	XX	XX
PROJECT EXPENDITURES (BY CATEGORY OF EXPENDITURES)				
Category	<i>IFAD Loan (separate analysis if different sources of IFAD's funding)</i>			
1	Consultancies	xx	xx	xx
2	Goods, Services and Inputs	xx	xx	xx
3	Training and Workshops	xx	xx	xx
4	Works	xx	xx	xx
5	Operating expenses	xx	xx	xx
6	Salaries and allowances	xx	xx	xx
	Subtotal IFAD loan	xx	xx	xx
	<u>Government Funds</u>			
1	Consultancies	xx	xx	xx
2	Goods, Services and Inputs	xx	xx	xx
3	Training and workshops	xx	xx	xx
4	Works	xx	xx	xx
5	Operating expenses	xx	xx	xx
6	Salaries and allowances	xx	xx	xx
	Subtotal Government Funds	xx	xx	xx
	<u>Beneficiary Funds</u>			
1	Consultancies	xx	xx	xx

2	<i>Goods, Services and Inputs</i>	xx	xx	xx
3	Training and workshops			
4	<i>Works</i>	xx	xx	xx
5	<i>Operating expenses</i>	xx	xx	xx
6	<i>Salaries and allowances</i>	xx	xx	xx
	<i>Subtotal Beneficiary Funds</i>	xx	xx	xx
3 - TOTAL PROJECT EXPENDITURES		xx	xx	xx
Balance brought forward (1 + 2 - 3)		xx	xx	xx

Table 2: Statement of comparative budget and actual amount by component.

	notes	20XX BUDGET	20XX ACTUAL	VARIANCE
FINANCING:		US\$	US\$	US\$
- IFAD funds received:				
- Initial deposit				XX
- Replenishment of the Special Account (SA)		XX	XX	XX
- IFAD Direct Payments		XX	XX	XX
- Funds received by the government - if any		XX	XX	XX
- Funds received by beneficiaries - if any		XX	XX	XX
- Other receipts - if any		XX	XX	XX
2 - TOTAL FINANCING		XX	XX	XX
Component	<u>IFAD Loan</u>			
1				
1.a		xx	xx	xx
1.b		xx	xx	xx
2				
2.a		xx	xx	xx
2.b		xx	xx	xx
3		xx	xx	xx
	Subtotal IFAD Funds	xx	xx	xx
	<u>Government Finance</u>			
1				
1.a		xx	xx	xx

1.b	xx	xx	xx
2			
2.a	xx	xx	xx
2.b	xx	xx	xx
3	xx	xx	xx
<i>Subtotal Government Funds</i>	xx	xx	xx
<u><i>Beneficiary Funds</i></u>			
1			
1.a	xx	xx	xx
1.b	xx	xx	xx
2			
2.a	xx	xx	xx
2.b	xx	xx	xx
3	xx	xx	xx
<i>Subtotal beneficiary Funds</i>	xx	xx	xx
3 - TOTAL PROJECT EXPENDITURES	xx	xx	xx

The excess/deficit of actual expenditures over the budget of X% was due to....

Table 3 : Designated Account Reconciliation

3	
Designated Account No:	
Bank Name:	
1. Total Advanced by IFAD	US\$
2. Less total amount recovered by IFAD	US\$
3. Equals present outstanding amount advanced to the designated account (line 1 less line 2)	US\$
4. Balance of designated account per attached bank statements as of (Date: day/month/year)	
	US\$
5. Plus balance of the project account(s) (listed separately)	US\$
Plus balance of sub accounts (listed separately)	US\$
Plus balance of Cash in Hand	US\$
Total of Bank Balances (designated A/C, PA, SUB accounts& cash in hand balance) (line 4+line 5)	US\$

6. Plus total amount claimed in this WA no.	US\$

7. Plus total amount withdrawn from the designated/ PA and not yet claimed for replenishment) or WAs pending submission	US\$

8. Plus amounts claimed in previous applications but not yet created at the date of bank statement and/or claimed after date of bank statement	US\$
	=====

	Application No.	Date	US\$	Amount
	=====			
			\$	
			\$	
			\$	

9. Minus Interest earned (to be completed. If zero, please enter zero)	US\$

10. Total Advance accounted for (line 5 through line 9)	US\$
	=====
11. Explanation of any difference between the totals appearing in Lines 3 and 10	US\$
	=====

e.g.	Non eligible amount to be refunded to the designated account	US\$

e.g.	calculation errors in application of percentage financing	US\$

e.g.	counterpart financial resources to be reimbursed	US\$

e.g.	cheques not yet cleared/presented to Bank	US\$

12 DATE	SIGNATURE

	Name in full

	Title in Full

Table 4: STATEMENT OF EXPENDITURES - WITHDRAWAL APPLICATION STATEMENT

Project Name:

**Lead Project Agency: Ministry of
Agriculture**

STATEMENT OF EXPENDITURES - WITHDRAWAL
APPLICATION STATEMENT

By category of Expenditures in Local Currency

**WA submitted to
IFAD**

Category	Category	WA n..	WA n..	WA n..	WA n..	Total
	Description					
1	AAAA	xx	xx	xx	xx	xx
2	BBBB	xx	xx	xx	xx	xx
3	CCCC	xx	xx	xx	xx	xx
<i>Total</i>		xx	xx	xx	xx	
In US\$ equiv/		xx	xx	xx	xx	
Rejected from IFAD		xx	xx	xx	xx	
<i>Net Reimbursed</i>		xx	xx	xx	xx	

**WA pending submission to
IFAD**

Category	Category	WA n..	WA n..	WA n..	WA n..
	Description				
1	AAAA	xx	xx	xx	xx
2	BBBB	xx	xx	xx	xx
3	CCCC	xx	xx	xx	xx
<i>Total</i>		xx	xx	xx	xx

Withdrawal applications are submitted for reimbursement to IFAD using the historical

exchange rate of the transfers to the Operating Account.

APPENDIX 4. Fixed Asset Register

[illegible]

APPENDIX 5. COMMUNITY CONTRIBUTION FORM AND ACCEPTANCE STATEMENT

COMMUNITY CONTRIBUTION FORM

N.	Type	Units	Quantity	Unit Price	Total Sum	Contribution		Comments
						Community	Other organizations	
1								
2								
3								

Project District Manager _____

Technical supervisor _____

Signature: _____

Signature _____

Date _____

Date _____

ACCEPTANCE STATEMENT

____ / ____ 20____. _____ Community

Acceptance Statement

The parties, _____, on behalf of the community, and (name, surname) _____ on behalf of the contractor, hereby sign this (name, surname), Acceptance Statement acknowledging that the community has delivered and the contractor has accepted the following materials/labour/premises for sub-project implementation:

	Materials/Labour/Premises	Unit	Quantity	Unit cost	Total
1					
2					

Signed

Community representative

Contractor representative

___ / _____ 20__
 ___ / _____ 20__

Appendix 6: Vehicle Log

Vehicle registration number _____
driver _____

Assigned

Date	Time		Mileage		Trip		Fuel purchase		Driver signature	Responsible staff
	Departing	Arrival	Departing	Arrival	Destination	Purpose	Mileage	Quantity		

Appendix 7: Vehicle History Record

Vehicle registration number _____

Assigned driver _____

Date	Repairs			Service & maintenance			Insurance			Fitness tests	
	Description of repair	Garage	Cost	Description of service	Garage	Cost	Type	Period covered	Cost	Checked by	Cost

Report accidents in the space below, providing all relevant details for each occurrence:

Date:

Place:

Name of driver:

Circumstances:

Damage to PCU vehicle:

Damage to other vehicles:

Injuries (indicate name of victims and describe injuries):

Insurance settlement:

Appendix 8: Sample recovery plan

Recovery Plan Designated Account								
IFAD Loan No.:				IFAD Loan Amount (SDR)		20 000 000.00		
Project Completion Date:		31-Dec-12		Loan Closing Date:		30-Jun-13		
Particulars Reporting Period	WA No.	Date	US \$	EUR	SDR	Unjustified balance US\$ SDR		
Authorized Allocation	1	18/01/2006	\$ 250 000.00	€ -	172 648.51	0.00		(77 351.49)
				€ -	172 648.51			
			0.00	#VALUE!				
			Exchange Rate:					
Justification:								
Ref. No.	WA No.	Date	Estimated WA value (SP)	Estimated WA value (US\$)	Proposed Recovery %	Recovery Amount (US\$)	Cumulative Recovery Amount (US\$)	Cumulative Unjustified balance (US\$)
1	40	21-Feb-23		111 832.56	45%	50 324.65	50 324.65	(50 324.65)
2	41	3-Mar-23		72 685.11	35%	25 439.79	75 764.44	(75 764.44)
3	42	5-May-23		74 685.11	35%	26 139.79	101 904.23	(101 904.23)
4	43	7-Jul-23		70 885.11	42%	29 771.75	131 675.98	(131 675.98)
5	44	5-Sep-23		64 885.11	40%	25 954.04	157 630.02	(157 630.02)
6	45	31-Dec-23		82 627.66	80%	66 102.13	223 732.15	(223 732.15)
7	46	10-Jun-23		26 065.11	100%	26 267.85	250 000.00	(250 000.00)
8								
				TOTAL	503 665.77 US\$	250 000.00 US\$		
In accordance with IFAD procedures, any amount unjustified at the time of loan closing date will be promptly refunded to IFAD.								
Prepared by: _____								
						15-Oct--2022 Date		
Confirmed by: _____								
						Date		

Annex 8: Terms of Reference for the SACP PMU FM Staff

Position: Chief Accountant

Duty Station: Harare, Zimbabwe

Overall Scope of Work

Reporting directly to the National Project Coordinator with technical responsibility to Director of Finance MLAWRR, the Chief Accountant is a key personnel of SACP responsible for the overall financial management aspects, implementing financial policies, strategies in line with IFAD and Government of Zimbabwe requirements and international standards.

Main tasks and Responsibilities

- q) Implementation and maintenance of the off-the shelf accounting system ensuring that the chart of accounts and reporting system thereof provides information to link between project activities by category, component and funding source.
- r) Timely input of budget data into the accounting system and production of monthly and quarterly reports regarding aspects of Project financial monitoring bringing out variances and advising technical specialist as to the limits of expenditure.
- s) Prepare half-yearly consolidated statements of project accounts as an integral part of the Management Information System to be submitted to the Project Steering Committee, and subsequently to IFAD.
- t) Prepare financial statements in accordance with International Public Sector Accounting Standards (IPSAS) - Accrual basis with the prerequisite disclosures for non-cash items and liaise with external auditors to audit the SACP accounts to meet the required submission dates by IFAD.
- u) Oversee tax matters of the Project, ensuring that tax exemptions and tax refunds for the procurement of goods and services for the Project are secured at the appropriate time.
- v) Provide training and guidance to project beneficiaries and implementing partners for AWPB activity preparation and submissions and participate in the development and implementation of plans, and procedures for budget request submission activities to ensure that project objectives are achieved in accordance with prevailing government practices which are acceptable to IFAD.
- w) Calculate the cost of services and associated analyses and propose actions to be taken to improve cost-efficiency of services, without affecting quality.
- x) Process documentation and follow up on disbursements from the government and IFAD to ensure that releases are not delayed. Ensure that funds for Project implementation are disbursed in a timely manner to enable project interventions to be carried out on time.
- y) Prepare and submit regular withdrawal applications to IFAD and follow up to ensure that the project does not run short of liquidity.
- z) Follow up on all project funds released to implementing entities and technical partners for timely retirement and proper utilization.
- aa) Ensure that statements of expenditure (SOEs) are carefully checked for eligibility with relevant financial agreements.
- bb) Maintain effective internal control environment for the project by ensuring that:
 - i. All SACP funds are used in accordance with the conditions of the financing agreements, with due attention to economy and efficiency, and only for the purposes for which the funds were provided;
 - ii. Counterpart funds have been provided and used in accordance with the conditions of the financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;

- iii. Goods and services financed have been procured in accordance with the financing agreement and in accordance with government and IFAD's rules and procedures;
 - iv. All necessary supporting documents, records and accounts are kept in respect of all project activities, with clear linkages between the books of account and the financial statements presented to the financiers;
 - v. Designated accounts are maintained in accordance with the provisions of the financing agreement and in accordance with the financier's rules and procedures;
 - vi. Provide any support to the Procurement Unit to assist in procurement for the SACP in accordance with procedures laid down by Financing Agreements of IFAD and OFID.
- cc) Ensure that fixed assets are well accounted for and annual verification is undertaken of the condition of assets and their location.
- dd) Ensure the effective and efficient operation of administrative aspects of the SACP.
- ee) Carry out any other activities that are assigned by the Project Coordinator

Qualifications and Competences

- Bachelor's degree in business or finance, and a professionally qualified accountant with Membership of the Zimbabwe Institute of Chartered Accountants.
- Strong managerial skills and demonstrated capacity to manage people and interact with a wide range of private sector partners and government representatives.
- Strong organizational skills. Versatility, ability to multi task and meet deadlines.
- Excellent organisational and analytical skills.
- Excellent computer skills and well-versed in the use of Excel, Word and accounting software.
- Good communication skills and ability to interact with a wide range of private sector partners and government representatives.

Required Work Experience

- At least eight years of relevant work experience, including at least four as a financial manager or accountant in government/donor projects or large institutions.
- Knowledge of work planning, budgeting and reporting.
- Preparing withdrawal applications for external funding agencies.
- Audit management experience in donor funded program.

Mode and Duration of Contract

The total duration of the contract is three years and is subject to annual performance review.

Position: Financial Accountant

Duty Station: Harare, Zimbabwe

Overall Scope of Work

Reporting to the chief accountant, the financial accountant supports the Chief Accountant to achieve result-oriented objectives of SACP financial management. Under the supervision of the chief accountant, the financial accountant will take responsibility for all accounts and finance transactions of the SACP and for maintaining all accounting documentation in good order.

Main tasks and Responsibilities

- s) Support in the preparation of Annual Work Plan and Budget (AWPB)
- t) Analysing payment requests and reconciliation with approved documentation including purchase orders and contracts
- u) Posting payment invoices into financial management systems in line with approved work plans.
- v) Assist in preparation of half-yearly consolidated statements of project accounts as an integral part of the Management Information System to be submitted to the Project Oversight Committee, and subsequently to IFAD.
- w) Ensure that fixed assets are well accounted for and regular verification is undertaken of the condition of assets and their location.
- x) Ensure that supporting documents, records and accounts are kept in respect of all project activities, with clear linkages between the books of account and the financial statements presented to the financiers;
- y) Preparing bank reconciliations for the project accounts.
- z) Assisting in review of invoices and supporting documents before any payments are processed.
- aa) Following up on outstanding advances both to staff and service providers.
- bb) Assisting in ensuring budgetary controls to ensure that no payment is done unless there is sufficient budgetary provision.
- cc) Ensuring systematic and accurate recording/filing of accounting records.
- dd) Prepare the SOE's and the WA Application to IFAD for timely replenishment.
- ee) Participating in the Audit exercises providing auditors with all information and documentation they require
- ff) Follows up accountabilities of funds advanced at the level PMU and with other implementing partners.
- gg) Ensure systematic and accurate recording/filing of accounts records.
- hh) Ensure that salary and tax deductions are remitted in timely way and that all acknowledgement of receipt is documented.
- ii) Withholding Tax is recovered from payments, remitted and Tax Certificates are issued to suppliers.
- jj) Any other duties as may be assigned by the Chief Accountant.

Qualifications and Competences

- Bachelor's degree in business or finance, and an affiliate professional accountant.
- Advanced quantitative and analytical skills.
- Excellent computer skills and well-versed in the use of Excel, Word and accounting software.
- Good communication skills; Fluency in written and spoken English.

Required Work Experience

- At least four years of relevant work experience, including at least four as a financial manager or accountant in government/donor projects or large institutions.
- Knowledge of work planning, budgeting and reporting.
- Preparing withdrawal applications for external funding agencies.
- Working with colleagues in geographically separate locations.

Mode and Duration of Contract

Seconded GoZ staff. The total duration of the contract is six years and is subject to satisfactory annual performance reviews.

Annex 9: Sample Terms of Reference for the Audit of SACP

The following are the terms of reference ('ToR') on which **the LPA** agrees to engage **audit firm** 'the Auditor' to perform an Audit and to report in connection with the Agreement with the International Fund for Agricultural Development (IFAD) concerning **SACP** where in these ToRs the 'Contracting Authority' is mentioned this refers to **IFAD** which has signed the Agreement with the **Borrower** and finances the services. The Contracting Authority is not a party to this engagement.

1.1 Responsibilities of the Parties to the Engagement

Recipient/Borrower refers to the entity that provides the services and that has signed the Agreement with the Contracting Authority.

- The MLAWRR /NPMU is responsible for providing a Financial Statements for the services financed by the Grant and for ensuring that these Financial Statements can be properly reconciled to the MLAWRR /NPCU records and accounts in respect of these services.
- The MLAWRR /NPCU accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon the MLAWRR /NPCU providing full and free access to its staff and records and accounts.
- The MLAWRR /NPCU shall provide the auditors with all the necessary documentation to perform the assignment properly; in particular the following information shall be provided to the auditors before the beginning of the assignment:
 - a) Project Agreement;
 - b) Annual Progress Report;
 - c) Project Implementation Manual;
 - d) Financial Management Manual;
 - e) Organizational charts along with names and titles of senior managers;
 - f) Names and qualifications of officers responsible for financial management, accounting and internal audit.
 - g) Description of information technology facilities and computer systems in use and
 - h) Copies of the minutes of negotiations, the project design document, the annual work programme and budget and the letter to the borrower if available.

'The Auditor' refers to the Auditor who is responsible for performing the agreed-upon procedures as specified in these ToR, and for submitting a report of factual findings to the MLAWRR /NPCU.

The Auditor shall provide:

- **A separate opinion on Project Financial Statements (PFS)**

Minimum content of the PFS:

- a) Yearly and cumulative statements of sources and application of funds, which should disclose separately IFAD's funds, other donors funds and beneficiaries funds;
- b) Statement of sources and application of funds.
- c) Yearly and cumulative SOEs by withdrawal application and category of expenditures; reconciliation of the designated account.
- d) Reconciliation between the amounts shown as received by the project and those shown as being disbursed by IFAD should be attached as an annex to the PFS. As part of that reconciliation the auditor will indicate the procedure used for disbursement (designated account funds, reimbursement or direct payment) and indicate whether the expenditure is fully documented or uses the Summary of Expenditures format.
- e) Notes accompanying the Financial statements
- f) Cumulative status of funds by category
- g) A statement of comparison between the actual expenditures and the budget estimates
- h) Full disclosure of cash balances and
- i) Other statements or disclosures relevant to the project .e.g. financial monitoring reports, credit lines etc.

- **A separate opinion on the use of the Designated Accounts (DA);** The auditor is also required to audit the activities of the DA associated with the project including the initial advance, replenishments, interest that may accrue on the outstanding balances, and the year-end balances. The auditor must form an opinion as to the degree of compliance with IFAD procedures and the balance of the DA at year end. The audit should examine: (i) the eligibility of withdrawals from the DA during the period under review; (ii) the operation of the DA in accordance with the relevant financing agreement; (iii) the adequacy of internal controls within the project appropriate for this disbursement mechanism; and (iv) the use of correct exchange rate(s) to convert local currency expenditures to United States dollars.
- **A separate opinion on Withdrawal Application Statement / Statement of expenditures / Summary of Expenditures (SOEs);** the audit will include a review of SOEs used as the basis for submitting withdrawal applications. The auditor will carry out tests and reviews as necessary and relevant to the circumstances. SOE expenditures will be carefully compared for eligibility with relevant financial agreements, and the disbursement letter, and with reference to the project appraisal report for guidance when necessary. Where ineligible expenditures are identified as having been included in withdrawal applications and reimbursed, auditors will note these separately. A schedule listing individual SOEs withdrawal applications by reference number and amount should be attached to the PFS. The total withdrawals under the SOE procedure should be part of the overall reconciliation of IFAD disbursements described above. The auditor's opinion should deal with the adequacy of the procedures used by the project for preparing SOEs and should include a statement that amounts withdrawn from the project account on the basis of such SOEs were used for the purposes intended under the agreement.
- **A separate management letter addressing the adequacy of the accounting and internal control systems of the Programme, including compliance with IFAD's Procurement Guidelines and such other matters as IFAD may notify the PCU to include in the audit.**

The auditor is requested to:

- Comment on economy, efficiency and effectiveness in the use of project resources;
 - Comment on achievement of planned project results;
 - Comment on legal and financial obligations and commitments of the project and the extent of compliance or non-compliance thereof;
 - Comment on systems and procedures such as improvements in accounting, information technology or computer systems, and operations that may be under development, on which the auditor's comments are necessary to ensure effective controls;
 - Comment on other activities on which an auditor may consider it appropriate to report
- **Auditors shall certify :**
 - Whether the PFS are drawn up in conformity with international accepted accounting standards (IFRS or IPSAS)
 - Whether the PFS are accurate and are drawn up from the books of accounts maintained by the Project.
 - Whether the provisions of the Project Agreement are adhered to.
 - Whether Procurement has been undertaken by the Project in accordance with **Article VI** of the Project Agreement, IFAD's Procurement Guidelines
 - Carry out a physical verification of any significant assets purchased and confirm their existence and use for project purposes.
 - Whether the project has an effective system of financial supervision or internal audit at all levels.
 - Whether the expenditure claimed through SOEs are properly approved, classified and supported by adequate documentation.
 - The Auditor is a member of the International Federation of Accountants (IFAC).

1.2 Subject of the Engagement

The subject of this engagement is the financial statements of the years **20XX, 20XY, and 20XV** for the **IFAD Loan XXX and Grant XXX**. The information, both financial and non-financial, which is subject to verification by the Auditor, is all information which makes it possible to verify that the expenditures claimed by the **PCU** in Financial statements have occurred, and are accurate and eligible.

1.3 Reason for the Engagement

The **PMU** Service Provider is required to submit to the Contracting Authority an Audit report produced by an external auditor.

1.4 Engagement Type and Objective

This constitutes an engagement to perform specific agreed-upon procedures following the IFAD Guidelines on Project Audits provided to the Auditors by the **PMU** in Annex 1 of these TOR. The objective of this audit is for the Auditor to verify that the expenditures claimed by the **PMU** in the financial statements for the services covered by the Agreement have occurred ('reality'), are accurate ('exact') and eligible and to submit to the **PMU** a report of factual findings with regard to the agreed-upon procedures performed. Eligibility means that expenditure have been incurred in accordance with the terms and conditions of the Agreement.

1.5 Scope of Work

1.5.1 The Auditor shall undertake this engagement in accordance with these Terms of Reference and:

- in accordance with the International Standard on Audit (ISA) to perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;
- In compliance with the Code of Ethics for Professional Accountants issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the Contracting Authority requires that the auditor also complies with the independence requirements of the Code of Ethics for Professional Accountants.
- In accordance with International Standards on Auditing and in line with IFAD's Guidelines for Project Audits.

1.5.2 The Terms and Conditions of the Agreement

The Auditor verifies that the funds provided by the Agreement were spent in accordance with the terms and conditions of the Agreement.

1.5.3 Planning, procedures, documentation and evidence

The Auditor should plan the work so that effective audit can be performed. For this purpose he performs the procedures specified the IFAD Guidelines on Project Audits and he uses the evidence obtained from these procedures as the basis for the report of factual findings. The Auditor should document matters which are important in providing evidence to support the report of factual findings, and evidence that the work was carried out in accordance with ISA and these ToR.

1.6 Reporting

The report on this audit should describe the purpose and the agreed-upon procedures of the engagement in sufficient detail in order to enable the **PMU** and the Contracting Authority to understand the nature and extent of the procedures performed by the Auditor. Use of the financial and audit reporting is compulsory.

1.6.1 **Periods covered**

- a) **IFAD Loan XXX** for the years 20XX
- b) **IFAD Loan XXX** for the years 20XY
- c) **IFAD Loan XXX** for the years 20XV

Reports covering items **a** must be delivered no later than 120 calendar days as of the date of signing the agreement.

Reports covering items **b and c** must be delivered within six months after the end of the respective fiscal year.

Annex 10: Assessment for Agricultural Potential for SACP districts

MASHONALAND EAST PROVINCE

Location	Population	No. of poor households	Poverty Prevalence %	Key commodities for smallholder commercialization	Nutrition potential of commodities	Estimated agribusiness engagement potential (high, medium or low)
Mashonaland East province	1,344,955		67.3%	Livestock Horticulture		
Goromonzi district	222,324 (55,652HH)	38,344 HH	25 wards with poverty prevalence ranging from 53.4% to 77.4% District poverty prevalence is 62.4%	Livestock Horticulture Soyabeans tobacco	1. Horticulture 2. Livestock 3. soyabeans	High high
Murehwa district	189,924 (45,962HH)	32,810HH	30 wards with poverty prevalence ranging from 48.0% to 77.2% District poverty prevalence is 71.6%	Livestock Horticulture (vegetables, mango fruits) Macademia nuts	1. horticulture 2. livestock 3. macademia nuts	high
Mudzi	130,261 (31,835 HH)	28,595 HH	18 wards with poverty prevalence ranging from 78.9% to 93.4% District poverty prevalence is 90%	Livestock (goats, indigenous chicken) Sorghum, groundnuts	1. groundnuts 2. sorghum 3. livestock	high
Mutoko district	144,370 (34,860HH)	28,237 HH	29 wards with poverty prevalence ranging from 57.6% to 91.7% District poverty prevalence is 81.3%	Livestock Horticulture sorghum	1. horticulture 2. sorghum 3. livestock	high
UMP district	110,694 (25,689HH)	20,333HH	17 wards with poverty prevalence ranging from 70.4% to 85% District poverty prevalence is 79.3%	Livestock Horticulture Small grains sunflower	1. horticulture 2. small grains 3. sunflower 4. livestock	high

Chikomba district	118,630 (29, 830 HH)	19,589HH	30 wards with poverty prevalence ranging from 29.5% to 84% District poverty prevalence is 65.8%	Livestock (beef) Horticulture	1. horticulture 2. livestock (beef)	Medium to high
Seke district	99,924 (24,488HH)	13,691 HH	21 wards with poverty prevalence ranging from 71% to 46.9% District poverty prevalence is 56%	Livestock Horticulture	1. horticulture 2. livestock	high
Hwedza district	69,739 (17,020HH)	10,959HH	15 wards with poverty prevalence ranging from 45.8% to 74.5% District poverty prevalence is 64.5%	Livestock Horticulture	1. horticulture 2. livestock	high
Marondera Rural district	115,234 (29,514HH)	15,777 HH	23 wards with poverty prevalence ranging from 39.9% to 66.3% District poverty prevalence is 43.4%	Livestock Horticulture (blueberry, raspberry, tomatoes)	1. horticulture 2. livestock	Medium high

MASHONALAND CENTRAL PROVINCE

Location	Population	No. of poor households	Poverty Prevalence %	Key commodities for smallholder commercialization	Nutrition Potential Of Commodities	Estimated agribusiness engagement potential (high, medium or low)
Mashonaland Central province	1,152,520		75.6%	Livestock Horticulture		
Mbire district	81,879 (18,018 HH)	15,322 HH	17 wards with poverty prevalence ranging from 78% to 89% District poverty prevalence is 81%	Water Melon Rosella Sesame Groundnuts Chilli Masawu	1. Groundnuts 2. Traditional Grains 3. Livestock	High

				Livestock- Beef, Goats, Sheep, Fish, Indigenous Poultry, Apiculture Traditional Grains		
Rushinga district	73,692 (17,059 HH)	13,936 HH	25 wards with poverty prevalence ranging from 56% to 88% District poverty prevalence is 81.9%	Groundnuts Livestock- Beef, Goats, Sheep, Indigenous Poultry, Apiculture Sesame Traditional Grains	1. Groundnuts 2. Traditional Grains 3. Livestock	High
Mt Darwin district	206,702 (46,982HH)	37,870HH	40 wards with poverty prevalence ranging from 56% to 89% District poverty prevalence is 80.6%	Sesame Ground Nuts Horticulture Livestock- Indigenous Poultry, Goats, Beef, Apiculture Masawu Traditional Grains	1. Groundnuts 2. Traditional Grains 3. Livestock	High
Muzarabani district	120,720 (26,692HH)	23,548 HH	29 wards with poverty prevalence ranging from 62.8% to 81% District poverty prevalence is 88.4%	Sugar Beans- Bio-Fortified, Sweet Potato, Water Melon, Sesame. Livestock- Goats/Sheep, Beef, Piggery, Poultry (Broilers, Layers, Indigenous) Horticulture Plantation-Bananas, Mango, Citrus, Avocado Masawu Traditional Grains	1. Sugar Beans 2. Bio-Fortified Sweet Potato 3. Horticulture 4. Plantation Fruits 5. Traditional Grains 6 Livestock	High
Shamva district	122,335 (28,261HH)	20,910HH	29 wards with poverty prevalence ranging from 50% to 82% District poverty prevalence is 74.2%	Horticulture Plantation- Mango, Citrus Maize. Soya Beans, Sweet Potato Livestock- Goats, Beef, Piggery, Dairy, Poultry (Broilers, Layers, Indigenous), Apiculture	1. Horticulture 2. Traditional Grains 3. Livestock 4. Plantation Fruits 5. Apiculture	High
Guruve district	119,681 (27,459HH)	21,445 HH	24 wards with poverty prevalence	Livestock- Goats, Beef, Piggery, Dairy, Poultry (Broilers, Layers, Indigenous)	1. Horticulture 2. Sweet Potato 3. Plantation Fruits	High

			ranging from 63% to 88% District poverty prevalence is 81%	Horticulture Plantation- Citrus, Bananas, Mango Sweet Potato	4. Livestock	
Bindura Rural district	124,505 (28,668HH)	20,591HH	21 wards with poverty prevalence ranging from 66% to 95% District poverty prevalence is 63.2%	Horticulture Planation- Citrus, Mango, Banana Sweet Potato. Livestock- Dairy, Broilers, Layers, Indigenous, Piggery	1. Horticulture 2. Sweet Potato 3. Plantation Fruits 4. Livestock	High
Mazowe district	233,960 (56,391HH)	38,664HH	35 wards with poverty prevalence ranging from 40% to 78% District poverty prevalence is 67.6%	1.Horticulture Plantation- Citrus, Peaches, Avocado Soya Beans, Maize, Sweet Potato Livestock- Dairy, Broilers, Layers , Indigenous , Piggery	1. Horticulture 2. Sweet Potato 3. Plantation Fruits 4. Livestock	High

MASHONALAND WEST PROVINCE

Location	Population	No. of poor households	Poverty Prevalence %	Key Commodities For Smallholder Commercialization	Nutrition potential of commodities	Estimated agribusiness engagement potential (high, medium or low)
Overall Mashonaland West province	1,501,656		73.3%	Livestock Citrus Cereals and Oilseeds Horticulture (Tomatoes, Onion)	1. Horticulture 2. Cereals 3. Livestock 4. Citrus	
Chegutu Rural district	149,375 (35,546HH)	25,522HH	29 wards with poverty prevalence ranging from 55% to 73.3%o 77%	Maize Horticulture-Tomato Poultry Citrus and Mango Potato	1. Horticulture 2. Maize/Potato 3. Poultry 4. Citrus and Mango	High High High High High

			District poverty prevalence is 57.6%			
Mhondoro-Ngezi district	99,665 (23,253HH)	16,858HH	16 wards with poverty prevalence ranging from 63% to 79% District poverty prevalence is 64.3%	Maize Horticulture (Tomato) Apiculture Piggery Groundnuts	1. Horticulture 2. Groundnuts 3. Maize 4. Piggery 5. Apiculture	High High Medium Medium high
Zvimba district	260,615 (62,564HH)	49,765HH	35 wards with poverty prevalence ranging from 61% to 88% District poverty prevalence is 79.8%	Maize Poultry Potato Tobacco Soybean	1. Potato 2. Poultry 3. Maize 4. Soybean	High High High High High
Sanyati district	112,361 (25,046HH)	18,223HH	23 wards with poverty prevalence ranging from 51% to 80% District poverty prevalence is 64.3%	Cotton Sorghum Citrus and Mango Small Livestock	1. Sorghum 2. Citrus and Mango 3. Small Livestock	High high high medium
Hurungwe district	323,632 (69,919HH)	63,148 HH	26 wards with poverty prevalence ranging from 81% to 94% District poverty prevalence is 87.9%	Maize Tobacco Livestock Beef Sheep and Goats Apiculture	1. Maize 2. Livestock 3. Apiculture	High High High High High
Kariba rural	40,844 (9,505 HH)	8,455 HH	12 wards with poverty prevalence ranging from 73.3% to 95% District poverty prevalence is 73.3%	Small Livestock Traditional Grains Fisheries Apiculture Cotton	1. Traditional Grains 2. Fisheries 3. Small Livestock 4. Apiculture	Low Low Low Low

Makonde district	150,889 (32,597 HH)	27,277 HH	19 wards with poverty prevalence ranging from 63% to 93% District poverty prevalence is 73.5%	Maize Soybean Citrus Potato Cotton	1. Soybean 2. Maize 3. Citrus 4. Potato	High High High High High
Total						

MATEBELELAND NORTH PROVINCE

Location	Population	No. of poor households	Poverty Prevalence %	Key commodities for smallholder commercialization	Nutrition potential of commodities	Estimated agribusiness engagement potential (high, medium or low)
Matebeleland North province						
Hwange district Ranked 1	60,747 (14,534HH)	12,052 HH	20wards with poverty prevalence ranging from 60.5%% to 89.7% District poverty prevalence is 68.5%	Sorghum and Pearl Millet Goats Poultry Beef	1. Sorghum and Millet 2. Poultry 3. Goats 4. Beef	5. High 6. Medium 7. Medium Medium
Binga district Ranked 2.	134,022 (31,075HH)	27,332 HH	25wards with poverty prevalence ranging from 68.8% to 93%(ward 21) District poverty prevalence is 88.3%	Cotton Goats Sorghum Beef Fish	1. Sorghum 2. Fish 3. Goats 4. Beef	1. High 2. Medium 3. High 4. Medium 5. High
Tsholotsho district Ranked 3	111,891 23,338 HH)	20,781HH	22 wards with poverty prevalence ranging from 77.1% to 93.4% District poverty prevalence is 89.3%	Sorghum and Pearl Millet Goats Beef Cow Peas Groundnuts	1. Cow Peas 2. Sorghum and Millet 3. Groundnuts 4. Goats 5. Beef	1. High 2. High 3. High 8. High

Lupane district Ranked 4	97,232 (18,845HH)	17,435HH	28 wards with poverty prevalence ranging from 74.6% to 96.6% District poverty prevalence is 92.9%	Cotton Sorghum and Pearl Millet Apiculture Beef Goats	1. Sorghum and Pearl Millet 2. Groundnuts 3. Goats 4. Beef Apiculture	1. High 2. High 3. High 4. Medium 5. Medium
Nkayi district Ranked 5	107,613 (21,112HH)	20,143HH	30 wards with poverty prevalence ranging from 83.4% to 97.7% District poverty prevalence is 95.6%	Cotton Beef Sorghum and Pearl Millet Goats Groundnuts Apiculture	1. Sorghum and Pearl Millet 2. Groundnuts 3. Goats 4. Beef 5. Apiculture	1. High 2. High 3. Medium 4. Medium 5. Medium 6. High
Umguzha district Ranked 6	78,392 (18,871 HH)	14,973HH	19 wards with poverty prevalence ranging from 66.6% to 93.8% District poverty prevalence is 79.9%	Horticulture Beef Poultry Pecan Nut	1. Horticulture 2. Pecan Nut 3. Poultry 4. Beef	1. High 2. High 3. High 4. High
Bubi district Ranked 7	60,512 (13,352 HH)	11,755HH	23 wards with poverty prevalence ranging from 72% to 96%(ward 9) District poverty prevalence is 88.7%	Beef Poultry Horticulture In Irrigation Schemes Goats	1. Horticulture 2. Poultry 3. Goats 4. Beef	5. High 6. Medium 7. Medium 5. Medium

Source: 2015 Zimbabwe Poverty Atlas

Value Chains from the Ministry of Lands, Agriculture, Water and Rural Resettlement

MIDLANDS PROVINCE (Overlap with SIRP Districts)

Location	Population	No. of poor households	Poverty Prevalence %	Key commodities for smallholder commercialization	Nutrition potential of commodities	Estimated agribusiness engagement potential (high, medium or low)

Matebeleland North province						
Kwekwe district	173,402 (37,686HH)	29,789 HH	33wards with poverty prevalence ranging from 63.5%% to 88.9% District poverty prevalence is 61.8%	Sorghum and Pearl Millet Goats Poultry Beef	1. Sorghum and Millet 2. Poultry 3. Goats 4. Beef	High Medium Medium Medium
Chirimanzu District	80,351 (19,341HH)	13,517 HH	25wards with poverty prevalence ranging from 38.1% to 78.8% (ward 23) District poverty prevalence is 70.3%	Piggery Poultry Maize Beef Citrus	1. Poultry 2. Goats 3. Piggery 4. Citrus 5. Beef	High Medium High Medium High

Zimbabwe

Smallholder Agriculture Cluster Project

Project Design Report

Annex 9: Integrated Project Risk Matrix (IPRM)

Mission Dates: 25 May - 19 June 2020

Document Date: 28/01/2021

Project No. 2000002341

Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	High	Substantial
<i>Political Commitment</i>	<i>High</i>	<i>Moderate</i>
<i>Governance</i>	<i>High</i>	<i>Moderate</i>
<i>Macroeconomic</i>	<i>High</i>	<i>Substantial</i>
<i>Fragility and Security</i>	<i>High</i>	<i>Substantial</i>
Sector Strategies and Policies	Substantial	Moderate
<i>Policy alignment</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Policy Development and Implementation</i>	<i>Moderate</i>	<i>Low</i>
Environment and Climate Context	High	Substantial
<i>Project vulnerability to environmental conditions</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project vulnerability to climate change impacts</i>	<i>High</i>	<i>Substantial</i>
Project Scope	Moderate	Moderate
<i>Project Relevance</i>	<i>Low</i>	<i>Low</i>
<i>Technical Soundness</i>	<i>Substantial</i>	<i>Moderate</i>
Institutional Capacity for Implementation and Sustainability	Substantial	Moderate
<i>Implementation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Monitoring and Evaluation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
Project financial Management	High	Substantial
<i>Project organization and Staffing</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project budgeting</i>	<i>Moderate</i>	<i>Low</i>
<i>Project funds Flow/Disbursement Arrangements</i>	<i>High</i>	<i>Substantial</i>
<i>Project internal Controls</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project accounting and financial reporting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project external Audit</i>	<i>Moderate</i>	<i>Low</i>
Project Procurement	Substantial	Moderate
<i>Legal and Regulatory Framework</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Accountability and Transparency</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Capability in Public Procurement</i>	<i>Moderate</i>	<i>Low</i>
<i>Public Procurement Processes</i>	<i>Moderate</i>	<i>Low</i>
Environment, Social and Climate Impact	Moderate	Low
<i>Biodiversity Conservation</i>	<i>Moderate</i>	<i>Low</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Moderate</i>	<i>Low</i>
<i>Cultural Heritage</i>	<i>Low</i>	<i>Low</i>
<i>Indigenous People</i>	<i>Moderate</i>	<i>Low</i>

Risk Category / Subcategory	Inherent risk	Residual risk
<i>Labour and Working Conditions</i>	<i>Moderate</i>	<i>Low</i>
<i>Community Health and Safety</i>	<i>Moderate</i>	<i>Low</i>
<i>Physical and Economic Resettlement</i>	<i>Moderate</i>	<i>Low</i>
<i>Greenhouse Gas Emissions</i>	<i>Moderate</i>	<i>Low</i>
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Substantial</i>	<i>Moderate</i>
Stakeholders	Moderate	Low
<i>Stakeholder Engagement/Coordination</i>	<i>Low</i>	<i>Low</i>
<i>Stakeholder Grievances</i>	<i>Moderate</i>	<i>Low</i>
Overall	Substantial	Moderate

Country Context	High	Substantial
Political Commitment	High	Moderate
Risk: As COVID–19 pandemic has exacerbated the deepening economic crisis, the recent threat of protests arising from the worsening economic situation, shortages of goods in particular food, and declining real wages amidst hyperinflation, highlight the risk of political uncertainties and instability.	High	Moderate
Mitigations: While the potential of SACP to mitigate political risks is limited, detailed agreements with the Government on all investment activities and implementation modalities aim to mitigate these risks. The SACP focus on smallholder agriculture transformation is on private sector-led and operated activities, as opposed to the earlier exclusively GoZ-led approach, which is expected to remove some of the uncertainties associated to the political context.		
Governance	High	Moderate
Risk: Zimbabwe's limited economic and financial governance as well as erratic formulation of policies has been earmarked by key international financiers as one of the causes of poor overall performance in the country in the past 20 years. This has created a weak environment for growth and development in key sectors and reduced the willingness of local and international investors to commit their resources in the country. Zimbabwe is ranked 158 out of 180 countries according to Transparency International's 2019 Corruption Perception Index (CPI) by. High corruption rating and overall lack of transparency have significantly increased risks for investments in Zimbabwe, including investments in agriculture and agro-processing.	High	Moderate

Mitigations: SACP incorporates safeguard mechanisms to mitigate against these risks. This includes ensuring strict adherence to IFAD procurement rules as well as provision of support in the competitive recruitment of a SACP procurement officer. Indeed, the competitive recruitment of key staff, particularly the National Project Coordinator and Chief Accountant, is also expected to ensure good project governance. One of the main safeguards against governance risks is the private sector orientation of all the investments in the key value chain development component of the project.		
Macroeconomic	High	Substantial
Risk: Macroeconomic instability including risks related to high international and domestic debt overhang, hyperinflation and currency convertibility will continue to adversely impact the country's development agenda, including efforts to commercialise smallholder agriculture. Investment inflows remain weak and the due to debt arrears, several sources of external credit are not accessible yet. The commercial banks' portfolios, denominated mostly in Zimbabwean dollars, have lost much of their value, with currency devaluation and the consequent significant hyperinflation. At the same time, the concentration of bank assets on non-liquid central bank deposits and treasury bills has further reduced the amount available for lending to private urban and rural sectors. Additional economic stress has been caused by the COVID-19 outbreak. With COVID-19, negative macroeconomic trends are projected to persist, resulting in a projected contraction in GDP by 8%-10% in 2020.	High	Substantial
Mitigations: The macroeconomic outlook for Zimbabwe, as from 2021, remains cautiously optimistic. It is expected that between 2021-24, real GDP will rebound gradually, as better weather conditions facilitate growth in agriculture and a resurgence in domestic hydropower production, allowing mining activity to pick up. It should also be noted that the core investment instruments of SACP, including the large-scale matching grant and capacity building operations on the supported value chains, are developed to function even in an economy, in which many sub-sectors and services do not function properly. The assumption at the same time is that with SACP support, farmers and enterprises are better positioned to tap into the economic opportunities when the country's macroeconomic performance improves, and investor confidence increases.		
Fragility and Security	High	Substantial
Risk: Against the backdrop of political instability, a weak economy as well as arrears with key development partners (including World Bank and the African Development Bank), Zimbabwe has also in recent decades, experienced various types of shocks, ranging from weather extremes to the recent COVID-19 outbreak.	High	Substantial

Mitigations: Through strong contractual agreements, private sector orientation of key activities and effective and systematic implementation systems, SACP aims to increase its capacity to tolerate moderate shocks in its operational environment. Further, the well-resourced components and activities provide independence and increase tolerance to unexpected changes in the implementation environment.		
Sector Strategies and Policies	Substantial	Moderate
Policy alignment	Substantial	Moderate
Risk: Although Zimbabwe has several policies in place to support rural development [e.g. National Food and Nutrition Security Policy (2012), National Youth Policy (2015), National Gender Policy (2017) and Zimbabwe Climate Policy (2016)], agricultural policy has been inconsistent and has not adequately supported sustained rural growth.	Substantial	Moderate
Mitigations: Since 2018, the Government of Zimbabwe's (GoZ) strategy has focused more on efforts to commercialise smallholder agriculture. This includes: (i) organising smallholders into groups and associations and eventually converting them into small and medium enterprises (SMEs); (ii) connecting farmers and their groups into profitable value chains (VCs) and markets; (iii) facilitating contract farming along profitable VCs; (iv) developing smallholders' capacity in marketing and business skills; (v) revitalising infrastructure, including marketing and agro-processing hubs; (vi) promotion of climate smart agriculture; and (vii) strengthening of income pathways for improved food security and nutrition.		
Policy Development and Implementation	Moderate	Low
Risk: As indicated above, there is improvement regarding the formulation and implementation of key rural development policies. However, limited national budget resources and capacity to effectively support the implementation of new agricultural policies remains a risk.	Moderate	Low
Mitigations: SACP will support Government efforts to create a conducive policy environment for private sector-led smallholder agriculture transformation in Zimbabwe. In 2020, GOZ launched several strategies and plans: Agriculture and Food Systems Transformation Strategy, Livestock Growth Plan, Horticulture Recovery and Growth Plan and the Accelerated Irrigation Rehabilitation and Development Plan. Specifically, SACP will contribute to operationalise relevant strategies/plans, through enhancing a community feedback loop to GoZ. SACP will also draw lessons from SIRP's success in stakeholder consultations regarding smallholder irrigation development models, now at Attorney General approval stage. Specifically, SACP will engage specialists to develop relevant knowledge products. Through stakeholder dialogue, SACP will enhance the development of action-oriented plans in support of diversification and commercialisation of smallholder agriculture, including contract farming, horticultural action plans and studies to identify new profitable smallholder value chains.		

Environment and Climate Context	High	Substantial
<i>Project vulnerability to environmental conditions</i>	<i>Substantial</i>	<i>Moderate</i>
Risk: <p>The main environmental risks for the SACP include land degradation, which is already adversely impacting agricultural productivity and site-specific loss of soils and vegetation during the infrastructure development activities. SACP activities may also result in increased abstraction of ground and surface water resources for agriculture productivity and domestic use.</p>	Substantial	Moderate
Mitigations: <p>The capacity building targeted at the smallholders will include climate smart agriculture techniques that also ensure environmental sustainability such as integrated soil fertility management and diversified cropping systems. Environmental Management Plans (EMPs) will be developed for the infrastructure sites articulating mitigation measures. In addition, water use efficiency will be promoted in the irrigation schemes.</p>		
<i>Project vulnerability to climate change impacts</i>	<i>High</i>	<i>Substantial</i>
Risk: <p>The climate change risks for the SACP include increasing rainfall variability, incidence of droughts, prolonged dry spells, and intermittent floods. Droughts have occurred in the recent past due to the El-Nino phenomenon leading to crop losses and negatively impacting agricultural dependent livelihoods. Water stress will also increase as a result of climate change as well as incidence of pests and diseases.</p>	High	Substantial
Mitigations: <p>Climate change adaptation measures will be promoted through the climate smart agriculture investments. Capacity building of the smallholders will also include measures such as integrated pest management and conservation agriculture techniques. The infrastructure developed under SACP will be climate resilient to improve water use efficiency and harvest rainwater for productive use.</p>		
Project Scope	Moderate	Moderate
<i>Project Relevance</i>	<i>Low</i>	<i>Low</i>
Risk: <p>This risk is very limited in the case of SACP, due to appropriate policy alignment and active participation of the national Government counterparts in the project design.</p>	Low	Low
Mitigations: <p>As indicated above and discussed in detail in the PDR, SACP is fully aligned with Government's key rural development policies, IFAD's new COSOP and IFAD's core corporate priorities.</p>		
<i>Technical Soundness</i>	<i>Substantial</i>	<i>Moderate</i>

Risk: Relatively poor overall performance of agriculture sector interventions creates a risk that this could happen also with SACP. There is also very little recent experience and information on the overall management of rural development projects, with external funding. SACP is the first IFAD funded loan operation for Zimbabwe since 1990s.	Substantial	Moderate
Mitigations: SACP integrates capacity building of government staff to manage development projects. At the same time, the project creates linkages with the private sector, which is also in line with GoZ policy objective, to enhance market access for smallholder agricultural produce. Matching grants, based on a competitive process, are expected to encourage companies and farmers to commit themselves in the operations of the supported value chains and improve chances of implementation success.		
Institutional Capacity for Implementation and Sustainability	Substantial	Moderate
Implementation Arrangements	Substantial	Moderate
Risk: After 20 years with very few international projects, many Zimbabwean institutions lack experience on how to implement development partner-supported projects and have limited adequate, staff and resources to implement them. The management mechanism for matching grants in particular require a comprehensive and clear framework to ensure effective implementation, viability of promoted value chains, and to avoid elite capture.	Substantial	Moderate
Mitigations: The Lead Agency, MLAWRR, is the implementing agency for the IFAD-supported SIRP. With a Joint Management Unit, SIRP and SACP will work closely together. This Joint Management Unit will make it easier for IFAD to focus its support, introduce new tools and facilitate training and capacity building. Measures to reduce elite capture in the matching grant operations include: (i) Increased volume of independent BDS support (NGO or private sector service provider) to include follow up visits and investment monitoring for each grant implementer; (ii) utilization of formal financial institutions for all matching grant financial transactions, through established bank accounts, and supervision of these as part of project audits, (iii) systematic training provided to the evaluation panels and key project-related GOZ staff on integrity, eligibility and conflict of interest, and corruption and bribery related topics; (iv) ensure beneficiary access to project information through public dissemination events for project start-up and periodic batches of successful matching grant proposals; (v) piloting a digital business plan database for matching grant projects; (vi) selection of the evaluation panels to be subject to IFAD's NO and rotation of some of the evaluation panel members, and (vii) prior elite capture risk assessment for key value chains supported by the APG matching grants.		
Monitoring and Evaluation Arrangements	Substantial	Moderate

Risk: The key risk that the project executing agency's M&E processes and systems are weak or inefficient, resulting in a limited ability to monitor, validate, analyse, and communicate results, capture lessons, and adjust implementation to seize opportunities and take corrective actions in a timely manner.	Substantial	Moderate
Mitigations: SACP has a full time M&E, KM, and data assistant specialists. A robust M&E system that is linked to the MIS will be designed. Baseline studies to benchmark progress will be carried out in Year 1. Field extension staff will be furnished with electronic tablets that are linked to MIS. Participatory monitoring will be used to capture qualitative and quantitative data, capture lessons and adjust implementation. Reports will be evidence-based, gender and sex disaggregated data and will be submitted timely. Field verification monitoring visits will be carried out regularly.		
Project financial Management	High	Substantial
Project organization and Staffing	Substantial	Moderate
Risk: Inadequate staff capabilities, skills and experience in project accounting, donor funds management and on IFAD procedures.	Substantial	Moderate
Mitigations: Mitigations: At project onset the creation of Joint Project implementation unit will avail staff from SIRP to help new recruited staff quickly on board SACP shall recruit a suitably qualified, competitively selected persons to initially lead the finance unit, set up SACP financial systems. Training in IFAD funding guidelines to be done during start up work but will be a continuous process throughout the project life.		
Project budgeting	Moderate	Low
Risk: Risk(s): Low budgeting capacity in the Lead Agency and low motivation of district field staff to prioritise implementation of SACP activities leading to low AWPB execution rates resulting in overall slow implementation progress. AWPB not approved at the commencement of the fiscal year Over expenditure/ under expenditure on project activities not tracked	Moderate	Low

<p>Mitigations:</p> <p>Ensure the accounting package will include a budgeting module that must be put into use at the onset of the project</p> <p>SACP implementation shall incorporate results-based award scheme for seconded GoZ field extension staff to motivate excellent project delivery.</p> <p>Clear budget guidelines and procedures to be detailed in the PIM to assist the preparation of budgets.</p> <p>Further, the SACP officers and field staff will provided with transportation and communication means and appropriate skill to be able to carry out the required AWPB-related tasks.</p> <p>Technical guidance from IFAD during the budgeting process</p>		
<p>Project funds Flow/Disbursement Arrangements</p>	<p>High</p>	<p>Substantial</p>
<p>Risk:</p> <p>Delayed payments to Suppliers are also affected affecting the timely supplies for the project and beneficiaries for in terms of goods and services.</p> <p>Non-availability of forex for SACP operations due to the regulatory framework in the country that affects the availability of funds to the project for foreign exchange invoiced expenditure.</p> <p>Delays in collating expenditures by implementing partners leading to delays in processing replenishments</p>	<p>High</p>	<p>Substantial</p>
<p>Mitigations:</p> <p>SACP shall maintain a USD designed account at a commercial bank to facilitate timely settlement of forex invoices.</p> <p>SACP will to a great extent use the IFAD direct payment method for payments above USD 100,000.</p> <p>The project will adhere to the liquidity mitigation measures incorporated within IFAD disbursement guidelines relating to submission timelines and thresholds for withdrawal applications</p>		
<p>Project internal Controls</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Risk:</p> <p>Lack of adequate delegation of authority within the Finance unit due to limited staff numbers.</p> <p>Failure to justify programme expenditures in implementing districts and provinces, leading to delayed replenishment of the designated account and potential ineligible expenditures</p>	<p>Substantial</p>	<p>Moderate</p>

Mitigations: The FM manual will detail controls and procedures to be followed in using programme funds. SACP accounting and disbursements operations will be centralised at the NPMU Engagement of the internal audit unit within the ministry to carry out annual review of the systems The NPMU will perform quarterly reimbursements to implementing agencies to ensure timely replenishment before replenishment to their accounts		
Project accounting and financial reporting	Substantial	Moderate
Risk: Inadequate record keeping of accounting records Failure to properly track use of grant proceeds to disbursed to grantees Failure to produce IFAD –specific reports. Community level beneficiaries not having sufficient financial management capabilities per GOM and IFAD requirements	Substantial	Moderate
Mitigations: Centralised accounting of SACP at the NPMU PIM to detail reporting and monitoring requirements and rules including on grant disbursements Off-the shelf accounting software to be configured generate automated, consolidated financial reports and smart SOEs Capacity building by PMU of all implementing partners including beneficiaries on SACP financial management		
Project external Audit	Moderate	Low
Risk: The key risk is the potential delay in performance of independent and competent oversight of the SACP financial statements leading to possible misrepresentation of the financial results and/or suspension due to compliance breaches	Moderate	Low
Mitigations: External audits for the project will be performed by independent private firms during the initial years of implementation in line with guidelines spelt out in the IFAD Handbook on Financial Report and Auditing for IFAD funded projects. IFAD will continuously perform reviews together with the Office of the Auditor General of Zimbabwe to assess its readiness in staffing capacities to conduct SACP audits for IFAD funded projects. SACP NPMU will proactively engage this external auditors during the financial year to plan for timely execution of year–end audits		
Project Procurement	Substantial	Moderate
Legal and Regulatory Framework	Substantial	Moderate

Risk: The Legal and regulatory framework score is 1.80 points and categorized, henceforth, as substantial. The new Statutory Instrument 5 of 2018 "Public Procurement and Disposal of Public Assets" provides a relatively acceptable coverage of the various rules and procedures to be followed by the public purchaser across the procurement cycle. Nonetheless, a number of deficiencies are highlighted particularly in terms of transparency and public access to information indicator which poses a particular issue. Further, the country regulations do not detail matters related to consulting and non-consulting processes (including the recruitment of individual consultants).	Substantial	Moderate
Mitigations: Standard Bidding Documents for low purchases falling under shopping to be developed for the project, subject to IFAD review and approval. Project will establish and maintain a database of records through the IFAD client portal contract monitoring tool. The GPN is required to be published through the newspapers and online means prior to launching the procurement processes. The SACP annual procurement plan is required to be published on PRAZ, MLLR webpage, the Gazette, and newspapers with large audience. All contract awards must be published, and respective bidders acknowledged accordingly of the process output. IFAD procedures will prevail for the consulting and non-consulting processes with appropriate procurement training and ad hoc support to be provided.		
Accountability and Transparency	Substantial	Moderate
Risk: By reference to PEFA framework, procurement complaint management remains largely unsatisfactory. Zimbabwe Corruption Perception Index score is 24 (2019) and ranks the country at the 158 position out of 198. The corruption risk indicator is therefore high. The complaint management system is based on 1-tier level only. The SI 5-2010 does not, among others, provide clear information on the constitution of the complaint committee and the handling of the challenge procedure. The Statutory Instrument covers the code of conduct for procurement officers as well as ethical responsibilities of bidders and contractors. However, these two subjects lack institutional guidance and comprehensiveness. In addition, there are no provisions for SH/SEA in accordance with requirements emanating from IFAD's policies.	Substantial	Moderate
Mitigations: IFAD will be notified in the event of complaints and follow up the process and decisions issued by PRAZ. Project to strictly adhere to IFAD's "Revised Policy on Preventing Fraud and Corruption in its Activities and Operations". Training and awareness sessions will be conducted.		
Capability in Public Procurement	Moderate	Low

Risk: The capability in public procurement score is 2,40 points and categorized, henceforth, as medium. SACP includes within its organizational structure a procurement unit both at the headquarter (Harare) and at the Provinces with different threshold levels. The country benefited from limited international support during the past five years, therefore public procurement officers have limited knowledge and experience in donor-funded procurement environment, in particular at the Provinces. The rules and regulations guiding procurement are publicly available online through the Procurement Regulatory Authority of Zimbabwe website. Within the beneficiary's organizational structure, the financial and procurement functions are, on the other side, fully separated.	Moderate	Low
Mitigations: Appointed project procurement staff (at the NPMU and Provincial levels) will be trained on IFAD's procurement rules and procedures and the quality of the tendering process to be monitored subsequently. IFAD Standard Bidding documents will be used.		
Public Procurement Processes	Moderate	Low
Risk: Government procurement planning is not undertaken thoroughly and suffers from the prevailing economic crisis rendering the market highly volatile. The lack of resources adversely impacts the day-to-day management of the government budget. The procurement methods as well as the bidding procedures are, globally, in line with the common international and IFAD's practices. On the other side, contract awarding lacks transparency while contract management requires support through providing relevant trainings to the government staff and preparing adequate guidance.	Moderate	Low
Mitigations: All project procurement plans must be prepared in advance and be consisted with the annual work plan. Any revision is subject to IFAD's explicit No Objection. Respective procurement officers at the NPMU and Provincial level to be involved in the annual work planning process and assess the feasibility of the activities within each year as well as the consistency and timeliness of the activities. IFAD procurement plan to be adopted. Minimum publication days under competitive bidding processes must be not less than 30 calendar days (inclusive of the advertisement and closure day). Project to follow similar procedures as SIRP for all matters related to contract management and administration.		
Environment, Social and Climate Impact	Moderate	Low
Biodiversity Conservation	Moderate	Low
Risk: Clearing of land for agricultural expansion may occur in some of the targeted areas of the SACP. Land clearing has already resulted in loss of habitat and biodiversity. Smallholders may also reduce the diversity of their farms as they become integrated in specific value chains thus adversely impacting agro-biodiversity.	Moderate	Low

Mitigations: The business plans and grant proposals will be screened for adverse environmental impacts including potential to result in loss of biodiversity. In addition, capacity building for the smallholders will include biodiversity conservation within the agricultural production landscape. SACP will promote nutrition sensitive value chains and crop diversification as part of the CSA.		
Resource Efficiency and Pollution Prevention	Moderate	Low
Risk: Land and water resources may be polluted through increased use of agro-chemicals as smallholders invest in improved agricultural productivity and become integrated into value chains. Discharge from the drainage in the irrigation schemes may also result in pollution.	Moderate	Low
Mitigations: The pollution will be point source that can be managed by the farmers once equipped with the knowledge and skills to do so. The screening criteria for business plans includes environmental criteria that will minimize impacts of pollution. CSA capacity building will include safe handling and use of agro-chemicals. Design of irrigation systems will also ensure adequate drainage systems design and periodic water testing at the discharge points.		
Cultural Heritage	Low	Low
Risk: The potential risk is that SACP may cause significant cultural or physical resource degradation, including threats to or the loss of resources of historical, religious or cultural significance. There is also the risk that women may be prevented from participating due to patriarchal norms and that the men could take over lucrative enterprises from the women beneficiaries.	Low	Low
Mitigations: There is a very low risk that SACP will be implemented in areas of cultural heritage sites. SACP will put in place a grievance redress mechanism and indigenous people will be engaged through FPIC process to ensure consent to all interventions. GALS methodology, to empower women and men, will be adopted. Training on GALS will increase the visibility of women's roles and raise awareness of gender justice for men, women and youth for increased wellbeing. Using WEAI survey, SACP will measure empowerment in terms of income generation and sharing of labour roles, improved knowledge and leadership skills, equitable household decision making and access to productive resources. GALS mentors will monitor the use of assets and economic activities. The WEAI survey will benchmark the percentage of individuals demonstrating improvement in empowerment. SACP targets mostly group activities in order as mitigation to male elite capture.		
Indigenous People	Moderate	Low

Risk: The potential risk that SACP may cause physical, social, or economic impacts on indigenous peoples, or in threats to or the loss of resources of historical or cultural significance to them.	Moderate	Low
Mitigations: SACP community mobilisers will be well versed with the communities to ensure that the project targets group are reached and that there are no threats to or loss of resources for indigenous people. A grievance mechanism and strong feedback mechanisms will be put in place for reporting on targeting. Indigenous people will be engaged in a consultative and participatory process through FPIC.		
Labour and Working Conditions	Moderate	Low
Risk: The potential risk is that SACP may cause an increase in gender-based violence, discriminatory and unsafe/unhealthy working conditions for people employed to work specifically in relation to the project, including third parties and primary suppliers.	Moderate	Low
Mitigations: SACP will promote viable enterprises that generate enough income for decent labour practices. The project will raise awareness against gender-based violence, and unsafe working conditions. Required clauses will be included in contacts with APGs, microenterprises and lead value chain enterprises. SACP will also engage targeted households on the benefits of equitable sharing of labour through GALs. The contracts for infrastructure development will also include clauses to ensure decent working conditions.		
Community Health and Safety	Moderate	Low
Risk: The potential community health and safety risks could arise from exposure to agro-chemicals, zoonotic diseases, COVID-19, pollution from project interventions and from gender-based violence.	Moderate	Low
Mitigations: The Environmental and Social management Plans for each sites will include measures to minimise the risks. Capacity building for smallholders will also include safe use and handling of agro-chemicals. SACP will develop road infrastructure to improve transport safety. Communities will access training on gender-based violence, reproductive health rights, child feeding and nutrition education as part of other mainstream topics such BDS, financial literacy etc. Labour saving technologies will improve the health and well being of women. For COVID-19, SACP's efforts will be towards increased awareness on social distancing, wearing masks, washing hands and increasing the use of digital platforms.		
Physical and Economic Resettlement	Moderate	Low

Risk: The potential risk is that the SACP may cause physical, social, cultural or economic impacts, especially for marginalized groups, from involuntary loss of land, assets, access to assets, income sources, or means of livelihoods. Some of these risks may result from infrastructure development activities.	Moderate	Low
Mitigations: SACP will raise awareness of the Lead Value Chain Companies to be ethical and engage producers in a transparent manner, as a condition in the SACP grant agreement. Infrastructure development proposals will be screened to ensure no physical or economic resettlement will result from these activities.		
Greenhouse Gas Emissions	Moderate	Low
Risk: The green-house gas emissions from the SACP activities are minimal. Land clearing may result in increased emissions as a result of land use change.	Moderate	Low
Mitigations: Screening of investments will ensure no forests are cleared for agricultural production and agricultural intensification as opposed to expansion is promoted. CSA includes benefits of mitigation through measures such as improved soil carbon storage resulting from integrated soil fertility management and agroforestry.		
Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Moderate
Risk: Most of the SACP target beneficiaries depend on rain-fed agriculture for their livelihoods. This dependency increases their vulnerability to variable climate. Some of the SACP locations are also water stressed, which increases the vulnerability of the ecosystems.	Substantial	Moderate
Mitigations: CSA investments will reduce the vulnerability to climate variability and change. The capacity building will also increase the knowledge base of the smallholders to manage the climate change related risks. Irrigation and water supply schemes will contribute to addressing water stress and incidents of drought and prolonged dry spells.		
Stakeholders	Moderate	Low
Stakeholder Engagement/Coordination	Low	Low
Risk: There is a potential risk that relevant stakeholders are not adequately consulted and that may undermine project implementation and achievement of project development objectives.	Low	Low

Mitigations: SACP utilizes participatory, consultative engagement with the stakeholders and demand driven approach to develop activities in partnership with stakeholders. Full-time Targeting and Social Inclusion Experts are stationed at both the provincial and national level to ensure the project engages appropriately with men, women and youth in project interventions.		
Stakeholder Grievances	Moderate	Low
Risk: The potential risk is that SACP has ineffective grievance/complaint redress processes, leading to unaddressed stakeholder complaints that may undermine project implementation and the achievement of project development objectives.	Moderate	Low
Mitigations: SACP will put in place a strong stakeholder grievance mechanism and a beneficiary feedback mechanism through which beneficiaries can lodge grievances and have concrete measures taken by SACP. This will be backed by community validation mechanisms at each stage in project implementation. SACP will raise awareness on an anti-corruption policy and establish contact telephone numbers for grievances.		

Zimbabwe

Smallholder Agriculture Cluster Project Project Design Report

Annex 10: Exit Strategy

Mission Dates: 25 May - 19 June 2020
Document Date: 28/01/2021
Project No. 2000002341
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East and Southern Africa Division
Programme Management Department

Annex 10: SACP Sustainability and Exit Strategy

Sustainability of the SACP benefits and results can be approached at three different levels: the smallholder, the farmer group/cooperative and the value chain. The SACP exit strategy and its success is closely linked to results achieved at all these three sustainability levels. With this sustainability focus, the exit strategy is in-built in the SACP activities and in the manner, they are to be implemented. The Table below presents the approach to SACP sustainability and exit strategy from the point of view of the key activities in the two operational components of the project (Component 1 and 2) and in Sub-Component 3.1 (Policy and Institutional Support).

Component/Activity	Sustainability and Exit Strategy
Component 1: Inclusive Value Chain Development	<p>The SACP Component 1 comprises of subcomponent 1.1, Cluster Identification and VC Mobilization, 1.2 Technical Services for APGs and Microenterprises, Matching Grants (MG) for Inclusive VC Investment.</p> <p>C1.1: The overall sustainability of Component 1 is based on demand-driven and analytical identification and mobilization of stakeholders for value chain upgrading activities and investments. To this end, as the first step, the Agriculture Producer Groups, Microenterprises and VC Lead Enterprises communicate their Expressions of Interest to SACP. Thereafter, the project team shortlists viable ideas for development of full Investment Proposals. In the full proposals, smallholders and agribusinesses will explain the viability and sustainability of their proposed activities, for technical, financial, social as well as environmental aspects. Through a competitive selection method, a Technical Assessment Committee under SACP will select the most viable proposals to receive SACP technical and financial assistance.</p> <p>C1.2: The technical services are primarily focused at the local level of the value chains, for Smallholder Groups and Microenterprises. As result, each stakeholder will have the required capacities to plan, invest and sustainably operate their farms or small businesses as part of commercial value chains. The services will also ensure that all investments are socially and environmentally sustainable, in view of local economic and social structures, natural resource management, as well as changing climatic conditions. Also, a targeted technical service package is deployed for Financial Literacy, which will support long term financial sustainability of the smallholder operations and livelihoods.</p> <p>C1.3: As follow up action to the value chain technical services, to ensure sufficient investment flow into the upgraded production systems, a financial support instrument is launched. A competitive Matching Grant (MG) mechanism will initiate productive investments into smallholder agriculture modernization. Furthermore, MG are extended to enterprise development in the value chains, to strengthen market sustainability of the smallholder investments. As noted above, only such MG investments are made that demonstrate full viability and sustainability beyond the duration of SACP support. A growth path is initiated by the SACP, and as exit strategy, the stakeholders with new skills and capacities will independently maintain and further develop their upgraded agriculture operations.</p> <p>As an additional sustainability element, the MG will be implemented in association with a capable and interested partner from financial sector such as the Agribank. All MG transactions are done through formal banking route, from the project to the bank accounts of grant recipients. The supported Value Chain stakeholders will thus gain knowledge and familiarity of banking services. With this capacity, and supported by their achieved savings and transaction history, the stakeholders will later gain access to market-based financing. The small Lead Enterprise credit line activity will be implemented with a competent commercial/development bank, and the revolved USD-denominated funds can be re-used in the next IFAD-supported value chain project. In the long-term, IFAD's follow-up investments in Zimbabwe will continue spear-heading the commercialization of smallholder sector. With the expectation of settled</p>

Component/Activity	Sustainability and Exit Strategy
	macroeconomic conditions, IFAD will support the initiated commercial value chain finance opportunities through tailored debt- and guarantee-instruments.
Component 2: Climate Proofed Value Chain Infrastructure	<p>The infrastructure built under the project will have three pathways to sustainability, leading towards a successful project exit. First, the infrastructure is demand driven, prioritising the infrastructure that serves the needs of the community best; second, the owners and beneficiaries of the infrastructure will contribute at least 15% of the required financing in cash; and third, the management arrangements for the infrastructure will be competence-driven, with users paying for services. For multi-purpose water supply, a private or quasi-private entity may run the facilities and users pay for services using a pre-card system.</p> <p>Maintenance agreements will be signed with the Rural District Councils and the District Development Fund for all roads developed under the project.</p> <p>A farmer-led approach to irrigation development and community-led approach to water supply development embeds an exit strategy right from the beginning of the process. The users will be responsible from the start.</p>
Sub-Component 3.1: Policy and Institutional Support	<p>Sustainability of SACP results and the improvement of opportunities to successfully continue private sector-led smallholder agriculture transformation after the project ends are at the core of the targets of SACP's policy and institutional support work. The purpose of Sub-component 3.1 activities is to support the efforts to create a conducive policy and institutional environment for private sector-led smallholder agriculture transformation in Zimbabwe. The work will tackle obstacles for achieving sustainable result in smallholder commercialization at the national policy level but focus also on practical challenges that are projected to adversely affect smallholder commercialisation both during and after the SACP implementation period. These include work on practical issues such as (i) contract farming best practices in enterprise-led, climate-smart value chain development; (ii) farmer group registration mechanism to enable full participation in commercial and financial transactions; (iii) smallholder land titles and their use as loan collateral, and access to land by women; (iv) modernization of extension services combining private and public sector resources; (v) effectiveness of local market linkage platforms to facilitate rural value chain development, (vi) food safety standards for domestic and export production; (vii) nutrition sensitive agriculture and value chains; and (viii) actions/policies to reduce food loss and waste. Project success in many of these themes and challenges is expected to significantly increase the chances of sustaining the SACP results and impact, and the project work in these areas under Sub-component 3.1 is therefore seen as a core contributing factor to a successful exit strategy for SACP.</p>

Zimbabwe

Smallholder Agriculture Cluster Project

Project Design Report

Annex 11: Mainstreaming themes – Eligibility criteria checklist

Mission Dates: 25 May - 19 June 2020
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Project No. 2000002341
Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department

Mainstreaming themes – Eligibility criteria checklist

	<input checked="" type="checkbox"/> Gender transformational	<input checked="" type="checkbox"/> Youth sensitive	<input checked="" type="checkbox"/> Nutrition sensitive	<input checked="" type="checkbox"/> Climate finance
Situation analysis	<input checked="" type="checkbox"/> National gender policies, strategies and actors <input checked="" type="checkbox"/> Gender roles and exclusion/discrimination <input checked="" type="checkbox"/> Key livelihood problems and opportunities, by gender	<input checked="" type="checkbox"/> National youth policies, strategies and actors <input checked="" type="checkbox"/> Main youth groups <input checked="" type="checkbox"/> Challenges and opportunities by youth group	<input checked="" type="checkbox"/> National nutrition policies, strategies and actors <input checked="" type="checkbox"/> Key nutrition problems and underlying causes, by group <input checked="" type="checkbox"/> Nutritionally vulnerable beneficiaries, by group	
Theory of change	<input checked="" type="checkbox"/> Gender policy objectives (empowerment, voice, workload) <input checked="" type="checkbox"/> Gender transformative pathways <input checked="" type="checkbox"/> Policy engagement on GEWE	<input checked="" type="checkbox"/> Pathways to youth socioeconomic empowerment <input checked="" type="checkbox"/> Youth employment included in project objectives/activities	<input checked="" type="checkbox"/> Nutrition pathways <input checked="" type="checkbox"/> Causal linkage between problems, outcomes and impacts	
Logframe indicators	<input checked="" type="checkbox"/> Outreach disaggregated by sex <input checked="" type="checkbox"/> Women are > 40% of outreach beneficiaries <ul style="list-style-type: none">• IFAD empowerment index (IE.2.1)	<input checked="" type="checkbox"/> Outreach disaggregated by sex and youth	<input checked="" type="checkbox"/> Outreach disaggregated by sex and youth, and IPs (if appropriate) <ul style="list-style-type: none">• Output level CIs<ul style="list-style-type: none">◦ CI 1.1.8 MandatoryOutcome level CIs (at least one of below)<ul style="list-style-type: none">◦ CI 1.2.8◦ CI 1.2.9	
Human and financial resources	<input checked="" type="checkbox"/> Staff with gender TORs <input checked="" type="checkbox"/> Funds for gender activities <input checked="" type="checkbox"/> Funds for IFAD empowerment index in M&E budget	<input checked="" type="checkbox"/> Staff with youth TORs <input checked="" type="checkbox"/> Funds for youth activities	<input checked="" type="checkbox"/> Staff or partner with nutrition TORs <input checked="" type="checkbox"/> Funds for nutrition activities	<div>IFAD Adaptation Finance\$14,061,000</div> <div>IFAD Mitigation Finance\$0</div> <div>Total IFAD Climate-focused Finance\$14,061,000</div>

ECG Remarks	<p>Gender</p> <p>Gender considerations have been integrated in the conceptualisation and design of the SACP. The targeting approach includes a focus women with specific quotas to be met and specific activities to ensure their effective participation in the project and ensure their empowerment.</p> <p>Nutrition</p> <p>Pathways to improve the nutrition status of target beneficiaries have been identified as well as specific activities to ensure nutrition sensitive cluster development. Nutrition sensitivity is a criteria for the matching grants that will be provided to the smallholders and SMEs that will participate in the project.</p> <p>Youth</p> <p>Rural youth will be incentivised to participate in the SACP. A quota has been included to promote their active engagement in the project and activities identified. A Social Inclusion Specialist will be part of the Project management team.</p> <p><input type="checkbox"/> No social inclusion themes</p>
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Zimbabwe

Smallholder Agriculture Cluster Project Project Design Report

Annex: An assessment of commercial banks

Mission Dates: 25 May - 19 June 2020
Document Date: 28/01/2021
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Report No. 5490-ZW

East and Southern Africa Division
Programme Management Department



**AN ASSESSMENT OF SELECTED COMMERCIAL
BANKS FOR A POSSIBLE PARTNERSHIP WITH
INTERNATIONAL FUND FOR AGRICULTURAL
DEVELOPMENT (IFAD)**



REPORT

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Acronyms and Abbreviations

AFC	Agriculture Finance Corporation
AGRIBANK	Agricultural Bank of Zimbabwe Limited
ATM	Automated teller machines
CBZ	COMMERCIAL BANK OF ZIMBABWE
GCR	Global Credit Rating Group
GoZ	Government of Zimbabwe
ICAAP	Internal Capital Adequacy Assessment Policy
IFAD	International Fund for Agricultural Development
IMF	The International Monetary Fund
MLAWRR	Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement
Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement	
NGO	Non-Governmental Organization
NMB	National Merchant Bank
OFID	OPEC Fund for International Development
POS	Point of Sale
RAS	Risk Assessment System
RBZ	Reserve Bank of Zimbabwe
SACP	Smallholder Agriculture Cluster Project
USD	United States Dollars
VC	Value Chain
WB	World Bank
ZB	Zimbabwe Banking Corporation
ZIMRA	Zimbabwe Revenue Authority

Introduction: Assessment of Banks to Partner with SACP

Smallholder Agriculture Cluster Project (SACP) is a six-year development project financed jointly by the International Fund for Agricultural Development (IFAD), OPEC Fund for International Development (OFID) and the Government of Zimbabwe (GoZ). SACP supports the transformation of smallholder agriculture in Zimbabwe through private sector-led value chain development. The Project operates in the five provinces of Mashonaland Central, Mashonaland East, Mashonaland West, Matebeleland North and Midlands. It consists of three interlinked components: Inclusive Value Chain Development, Component 2: Climate Proofed Value Chain Infrastructure and Component 3: Policy and Institutional Support and Project Coordination.

The SACP value chain (VC) support operations will include as a core element financing support to smallholders, community-based micro-enterprises, and Lead Enterprises in the selected VCs. Reflecting the current financial sector challenges in the provision of working capital and investment credit, the SACP will use matching grant as the main instrument to channel financing support to benefiting smallholders, micro-enterprises and also to VC Lead Enterprises. These matching grants will be financed by SACP through the IFAD loan.

In addition to matching grants, a USD-denominated Credit Line of USD 2.5 million will be established at a selected financial institution, to initiate access to commercial bank finance by those SACP's partner VC Lead Enterprises that operate in the export sector and earn a major part of their revenues in foreign currency. After the start-up of the project operations, the SACP credit line will be established in a financially sound commercial/development bank through a subsidiary loan agreement to be signed between the selected bank and the GoZ represented by Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement Ministry of Lands, Agriculture, Water, Climate and Rural Resettlement (MLAWRR). The selected bank is expected to use this refinancing injection as a part of its overall strategy to develop new products and serve new markets in rural areas.

Following initial inquiries by IFAD/MLAWRR about the interest of banks to partner with SACP, a national banking consultant conducted the institutional assessments of five leading

Harare-based commercial/development banks that are active in or have interest to expand to the agri-business finance. These banks included CBZ Bank Ltd, ZB Bank Ltd, NMB Bank Ltd, Steward Bank Ltd and Agribank. The purpose of the institutional assessment was to evaluate the financial and institutional position and product portfolio of the financial institutions as well as their readiness to implement the SACP Credit Line for Export Sector VC Lead Enterprises. The results of the institutional assessment of each bank are presented below, followed by the overall conclusions of the assessments and recommendations to IFAD/GoZ on the suitability of the assessed banks to partner with SACP in the implementation of the proposed Credit Line operations.

AGRIBANK (AGRICULTURAL BANK OF ZIMBABWE) LTD

SECTION 1: Introduction

The Agricultural Bank of Zimbabwe Limited (AGRIBANK) is a registered commercial bank in terms of the Banking Act (Chapter 24:20). The Agricultural Bank of Zimbabwe, in its present state, has evolved in various forms over the past 82 years. Its roots can be traced to 1924 when the Land and Agriculture and Bank were founded to cater for the needs of commercial farmers of the day. In 1971 the Agriculture Finance Corporation (AFC) was conceived through an act of Parliament, which amalgamated the Land and Agricultural Bank and the Agricultural Assistance Board. In 1996, the Bank was incorporated as the Agricultural Bank of Zimbabwe and was subsequently granted a commercial licence in June 1999.

The Bank began its operations on 10 January 2000 and remains focused on agricultural lending to farmers, augmented by Corporate, Treasury and Retail Banking operations, in all parts of Zimbabwe throughout its wide branch network. Agribank currently has more than 40 branches throughout all the provinces of Zimbabwe. The Bank is wholly owned by the Government of Zimbabwe. The shareholding structure is: 50% Ministry of Agriculture. 50% Ministry of Finance. Agribank's Legal Mandate: and key role is that of a development finance institution with both loan granting and deposit taking functions. Agribank is subject to the supervision of the RBZ and operates in terms of the Banking Act.

According to the 2019 Annual Report of Agribank "The Government in April 2018 resolved for Agribank to look for a Strategic Partner. This is necessary for further recapitalization of Agribank to enable the Bank to access long-term capital and lines of credit for expanded support to agriculture and other productive sectors. The Transaction Advisors, Ernst and Young Chartered Accountants carried out a due diligence exercise of the Bank during the year and the reports are pending presentation to the Government's Privatisation technical committee. The due diligence exercise was critical to pave way for the recruitment of a strategic partner. The benefits of a strategic partner are that the Bank will be adequately capitalized to raise long term financing for agricultural infrastructure and development as well as to access international lines of credit."

The members of Board of Directors of Agribank is shown in the following Table.

Table 1: The Board of Directors of Agribank

Name	Title/Position
Mr. G.T. Matemachani	Chairman
Mr. B. Ngara	Vice Chairman
Mr. E. Chimbera	Non-Executive Director
Mr. C. C. Sibanda	Non-Executive Director
Mrs S. Mrewa	Non-Executive Director
Mr. A. F. Hodges	Non-Executive Director
Ms M.A. Washaya	Non-Executive Director
Dr. J. Mutambara	Non-Executive Director
Ms. C.M. Maveneka	Non-Executive Director
Ms. P. Mandaza	Non-Executive Director
Mr. F Macheka	Executive Director
Mr. T. Ruvingo	Acting Finance Director

The management structure at Agribank is given below according to the 2019 Annual Report.

Table 2: Management Structure at Agribank

Name	Title/Position
Mr. F. Macheka	Executive Director
Mr. T. Ruvingo	Acting Finance Director
Mr. L. Rwazemba	Head of Corporate Services and Company Secretary
Mrs. P. Munyeza	Head of Corporate Banking
Mr. J Mverecha	Head of Strategy and Business Development
Mr. C. Mpofu	Head of Credit and Debt Recoveries
Mrs G. Chigunde	Head of Human Resources
Mr. D. Ngwenya	Head of Retail Banking
Ms T. Nhewede	Head of Business Risk
Mr D. Mbiba	Head of Treasury and International Banking
Mr. G. Kudumba	Head of Internal Audit
Mrs. P. Mahundi	Head of Legal and Compliance

Source: Agribank Website –cited on 10/09/2020

Its main business is the provision of agricultural finance, retail banking, treasury and corporate banking services. The Bank subscribes to an internationally recognised rating agency, Global Credit Rating Group (GCR).

The ratings for the last three (3) years were as follows:

Table 3: Agribank Ratings

Name	2019	2018	2017
Agribank Zimbabwe	BB-	BB-	B+

The bank has been graded as above and is still to reach the quality of AA.

SECTION 2: Operational

The bank maintains its headquarters at Hurudza House, 14-16 Nelson Mandela Avenue, in Harare, Zimbabwe's capital. It also has 47 networked branches in all provinces of the country.

According to the 2019 Annual Report “The Bank successfully implemented an ICT Core banking system upgrade and went live on 4 November 2019. This transformed our core banking system from R10 version to R18, which is the latest version. The improved version will offer new products and new channel offerings. The second phase of the upgrade will commence during the second quarter of 2020 and is scheduled for completion by December 2020. The second phase of the project involves implementation of additional modules. Digital transformation and investment in ICT capabilities will remain key enablers of our business going forward.”

Agribank confirms that they have gone paperless and internet banking, mobile banking, USSD function, online banking as evidenced with the efforts mentioned above. Agribank ‘s main focus is agriculture and has a strategy for this sector confirmed one of the Agribusiness Manager interviewed by the research team.

SECTION 3: Assessment

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing)
<p>Agribank has been doing the similar work with other NGOs such as Save the Children, SOS, ActionAid they have customers and the clients cut across the agricultural sector. They have economists who monitor the agribusiness system.</p> <p>Agribank has a separate agribusiness robust systems in its portfolios.</p>	<p>The bank has IDCSA credit line lending in forex</p> <p>A Robust system-manages R18 T20 system the latest being R19.</p>	<p>The bank is keen to work with IFAD implored one of the Agribusiness Managers during the interviews carried out by the Research Team.</p>	<p>Agribank has consistently maintained a higher than required 12 % capital adequacy ratio over the recent with a pick of 59% in 2018. However there has been a sharp decline of this ratio in 2019 to 19%. This could send a wrong signal to potential investors being looked for as alluded to earlier on although 19 % is still a modest coverage ratio</p>	<p>The bank has a consistent high liquidity ratio as evidenced by figure 4 below. However the bank made a huge loss of US\$37 million and US\$ 31 million in 2016 and 2017 respectively. It has made a huge turn for the better with a recorded Net Profit after Tax of US\$ 13 million and US\$ 2 million in 2018 and 2019 respectively. The bank despite the losses has been paying some dividends to the shareholder who happens</p>	<p>The bank is coming out of the woods as regards the level of Non-Performing Loans. It picked at 21% in 2016 reducing to 14 % in 2017. RBZ maximum recommended ratio is 12 %. However over the past two years the bank has traded below the RBZ threshold with 9 % and 4 % in 2018 and 2019 respectively. This is a reflection of vigorous efforts to recover outstanding debts by the bank.</p> <p>The Bank has made significant progress in strengthening credit</p>

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing
				<p>to be the Government of Zimbabwe.</p> <p>According to the 2019 Annual Report “The Bank recognised a financial asset of ZWL\$408 million which relates to the Reserve Bank of Zimbabwe (“RBZ”) funding the Bank’s foreign liability funding gap which arose after separation of RTGS and foreign currency balances by the Reserve Bank of Zimbabwe. The arrangement with the</p>	<p>assessment processes as well as debt recovery. This has resulted in the improvement of the NPL ratio from 9% in December 2018 to 3.70% as alluded to in the 2019 Annual Report</p> <p>The Bank will continue implementing measures for enhanced credit granting systems as well as sustained debt recovery initiatives the report goes on to say. See figure 3 below for a pictorial view of the status of non-performing loans.</p>

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing
				RBZ was determined in accordance with IFRS 9 to contain an embedded derivative which is recognised at fair value through profit or loss, any gains or losses will be recognised in profit or loss The fair value of the financial asset on initial recognition was determined as the anticipated US\$ amount receivable translated at the closing exchange rate.” This has a negative effect on the macro-economic condition for the country as it implies	

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing)
				the ordinary Taxpayer will bear the debt.	

Figure 1: Agribank Capital Adequacy Ratios 2016-2019

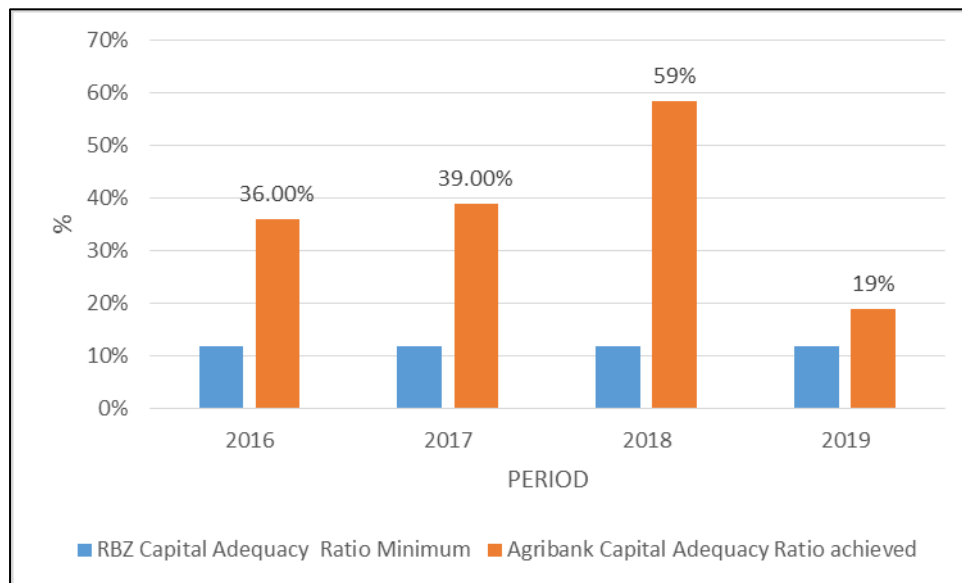


Figure 2: Agribank Liquidity Ratios 2016-2019

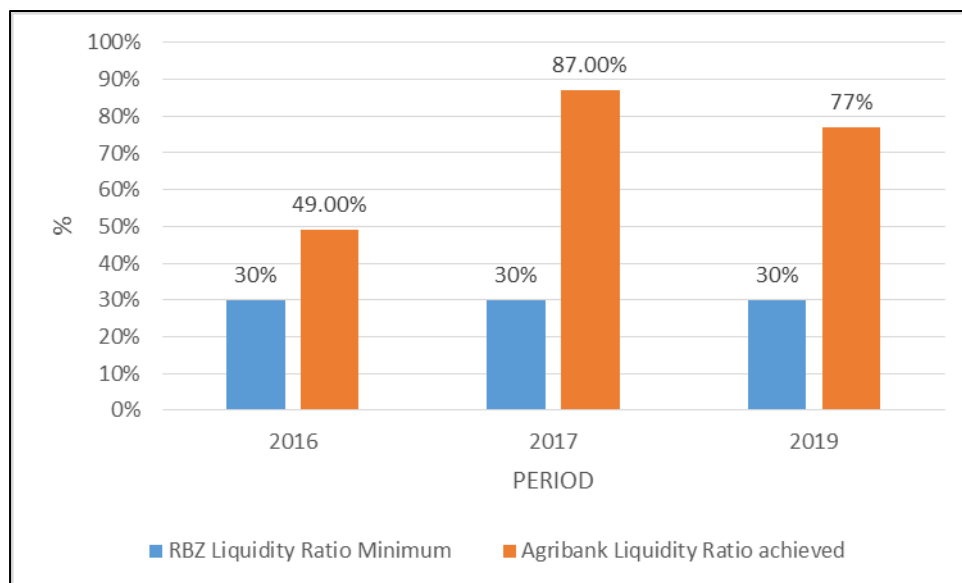


Figure 3: Agribank Non-Performing Loans Ratios

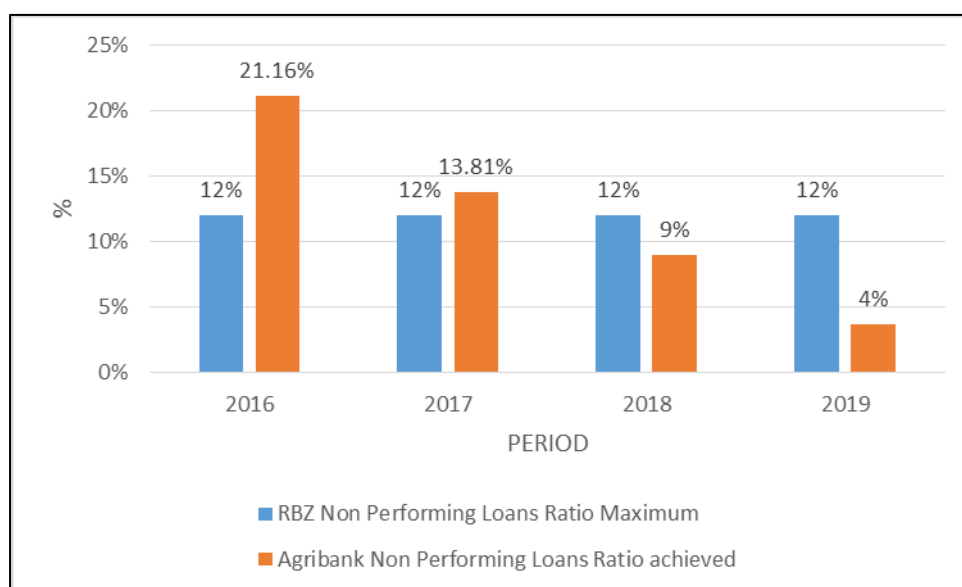
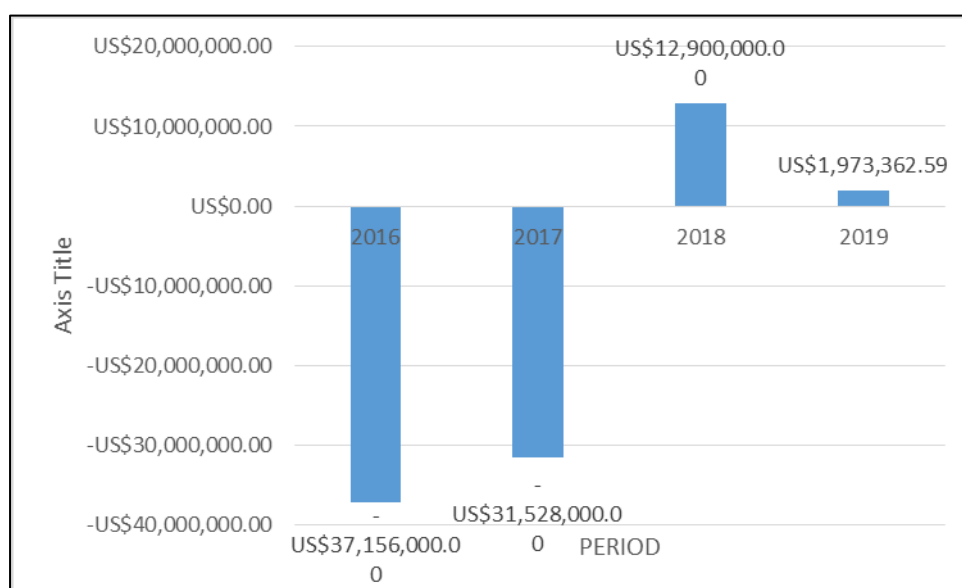


Figure 4: Agribank Net Profit (Loss) After Tax



CBZ (COMMERCIAL BANK OF ZIMBABWE) LTD

SECTION 1: Introduction

CBZ Bank “is wholly owned by CBZ Holdings Limited, a locally incorporated company listed on the Zimbabwe Stock Exchange”. CBZ Bank was founded when the Government of Zimbabwe took over the defunct Bank of Credit and Commerce in 1991”. Bank of Credit and Commerce International headquartered in the United Kingdom also suffered the same fate in 1991 and the Government of Zimbabwe assumed a 100% ownership of its local presence. An intensive turnaround strategy involving the adoption of strategic visioning and planning was instituted in 1995 and this resulted in the bank repositioning and naming itself as The Jewel Bank. In 1997 the bank was privatised to fund the ambitious turnaround programme. At that time the privatisation reduced the shareholding of the Government of Zimbabwe to 20% with private players taking up the rest.

The board is composed of 7 members, 5 of whom are independent non-executive. This meets the requirements of good corporate governance which states that the board should be composed of more independent than executive directors according to the Cadbury Report of 1992. The board is chaired by Marc L Holtzman while the Chief Executive Officer is Dr Blessing Mudavanhu. The Chief Finance Officer is Tawanda Gumbo according to the 2019 Annual Report.

The shareholders of CBZ Holdings are depicted below as at 31 December 2018.

Table 4: Shareholders of CBZ Bank Ltd Top Seven

Name	Equities	%
CBZ Holdings Ltd	168,981,847	24.6%
Government of Zimbabwe	110,000,000	16.0%
Central Bank of Libya	96,609,470	14.1%
National Social Security Authority	80,499,805	11.7%
LHG Malta Holdings Ltd.	26,449,396	3.85%
Pharmaceuticals & Chem D Pl	9,200,000	1.34%
Old Mutual Investment Group Zimbabwe (Pvt) Ltd.	8,675,663	1.26%

Source: CBZ Website – cited on 06.09.2020

The management structure of CBZ Bank Ltd is listed hereunder.

Table 5: Management Structure of CBZ Bank Ltd

Name	Since	Title
Dr.Blessing Mudavanhu	2020	Chief Executive Officer & Executive Director
Marc L. Holtzman	2019	Chairman
Tawanda Gumbo	2020	Chief Financial Officer & Executive Director
Rebecca Gaskin Gain	2019	Independent Non-Executive Director
Edward Mashingaidze	2019	Independent Non-Executive Director
Louis Charles Gerken	2019	Independent Non-Executive Director
Edward E. Galante	2019	Independent Non-Executive Director
Rumbidzayi Angeline Jakanani	2012	Group Legal Corporate Secretary

Source: CBZ Website – cited on 06.09.2020

CBZ Bank is operating in a number of sectors, including

1. Retail and commercial banking
2. Mortgage Finance
3. Asset Management
4. Insurance Business
5. Property Investment
6. Agro Business and
7. Other services which include Microfinancing package by Redsphere Unit and Equity Investments in the Holding Company. This is according to the 2019 Annual Report as it prepared the segment operational reporting.

The following is the global credit rating of NMB Bank Ltd over the recent past

Table 6: Details of Global Credit Rating

Details	2019	2018	2017
Global Credit Rating Score	A+	A	A

The above table shows that the bank is strong because it has reached the A grades in the years under review although it can still improve to AA. However, with the advent of the Covid-19

there is need to keep watch on this Global Credit Rating scores. The bank improved its score from a mere A in 2017 and 2018 to A+ in 2019 which is a sign of improved efficiency.

SECTION 2: Operational

CBZ Bank Ltd is widely spread in Zimbabwe with branch networks in most towns and cities. It has presence in what is term Growth Points. However with the advent of the Corona Virus most of the branches have been temporarily closed but the bank stakeholders have been taken care of by the Information, Communication and Technology the bank has put in place. The use of the card system has been enhanced recently. The customers of including farmers in remote areas use the following to access banking business:

1. Internet Banking
2. Mobile money banking through their cell-phones
3. Point of Sale machines and the Card system and
4. General use of Plastic money.

CBZ Bank Ltd has introduced what is termed CBZ Touch to facilitate banking services where customers using their cell-phones can transfer money from one account to another, make bill payments, and even download funds from a foreign currency account to a local account with conversion facilities embedded in the system. With the cash crunch in Zimbabwe CBZ Bank Ltd has established what we can term virtual bank for its clients. In August 2020 CBZ Bank made a systems upgrade to enhance virtual banking and condition its clients to the new normal during and beyond Covid-19 pandemic. In a summary and according to the 2019 Annual Report “The Group has put in place various measures to support its clients and counter the effects of the COVID-19 pandemic and to make sure that the Group sustains itself during this pandemic. The measures are detailed as below:

- **Aggressive use of digital channels:** The Group has encouraged its customers to make use of the various digital platforms it has available in effort to make sure that services are available to customers during the lockdown period.
- **Remote Working:** Most of the Group employees are available to ensure continuity of the business during lockdown by working remotely.
- **Limited services:** The Group, is offering money transfer agency business, deposit and withdrawal services to customers that are within the essential services category and those that have access to the teller on premises facility.

• **Forbearance and moratoria to clients hardest hit by the pandemic:** The Group’s level of exposure within the Hospitality and Tourism Sector which has been hardest hit by the effects of the COVID-19 pandemic, constitutes about 0.68% and hence, the Group is unlikely to suffer significant losses due to non-performance of borrowers in this Sector.”

The management at the Agribusiness Department were confident of the new environment vis-a-vis the enhanced Information Communication and Technology CBZ Bank Ltd has put in place. The heavy branch network could experience a downturn through the improved ICT in CBZ Bank Ltd.

As of 30 June 2014, CBZ Bank Limited maintained a network of branches at 66 locations in all major urban centres of Zimbabwe. There has been a deliberate effort to downsize the branch network recently especially with the advent of the Covid-19 pandemic which has necessitated the lockdown of many a branch.

According to the 2019 Annual Report “The Group is co-operating in ongoing investigations by the Office of Foreign Asset Control (OFAC) regarding historical transactions involving a party that was subject to OFAC economic sanctions”. Based on the facts currently known, it is not practicable at the reporting date for the Group to determine the terms on which the ongoing investigations will be resolved, or the timing of such resolution, or for the Group to estimate reliably the amounts or range of possible amounts of any fines and/or penalties which could be significant.” This statement is coming from 2018 and could impact on the rating of the Bank.

Also according to the 2019 Annual Report “Included in the deposits balance above, are amounts that are denominated in USD amounting to US\$451 551 474 (being legacy liabilities of US\$ 318,062,662 and nostro gap of US\$ 133,488,811) which are shown at ZWL\$ 7,574,053,486. These foreign denominated liabilities, which are payable on demand, are subject to a special settlement arrangement with the Reserve Bank of Zimbabwe (RBZ) as detailed in Note 16 to the financial statements wherein the RBZ will provide foreign currency gradually to the Bank for all registered legacy liabilities and nostro gap accounts at an exchange rate of 1:1. Subsequent to year end, the Bank transferred the ZWL equivalent of the said balances to the RBZ at a rate of 1:1. We note that to date USD10 965 225 has been made available under this arrangement, demonstrating the willingness and capability of the RBZ to honour the settlement arrangement. However the absorption by the RBZ of such huge debts has severe economic impact on the fiscus and the nation at large.

SECTION 3: Assessment

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non -Performing)
CBZ Bank Ltd has a strong strategy in Agribusiness with a separate department having been established. The strategy is to finance various businesses along the agricultural value chain from Input suppliers such as Seed Houses , Chemical Companies such as Fertilizer Manufacturers, Actual farmers both small and large and commercial, to uptakers such as Paperhall Investments part of (INSCOR), National Foods.	CBZ Bank Ltd has an extensive experience in foreign currency credit lines. Examples of the credit lines managed by CBZ Bank Ltd include Create Fund for US\$5,000,000.00 and Badia. CBZ Bank Ltd also manages The European Union grants said one of the Agribusiness Managers at CBZ Bank Ltd. CBZ Bank Ltd also	CBZ Bank is very much interested in partnering IFAD in this upcoming Project and awaits an invitation to participate in the same.	According to the 2019 Annual Report “The Group adopted the Internal Capital Adequacy Assessment Policy (ICAAP) which enunciates CBZ Holding’s approach, assessment and management of risk and capital from an internal perspective that is over and above the minimum regulatory rules and capital requirements as per Basel II CBZ Bank has consistently recorded	CBZ Bank has maintained above the RBZ minimum Liquidity ratios over the reporting period 2015 to 2019 with the highest ratio recorded in 2016 at 76.65%. This ratio has decreased to 52.56% by 2019 against the RBZ minimum of 30% maintained over the five year period. Figure 2 below clarifies the movements. CBZ Bank Ltd has consistently posted impressive Net Profit after tax in the reporting periods. However the	The level of non-performing loans has drastically reduced from a high of US\$ 202,772,288.00 in 2017 to a low of US \$ 6,254,215.07 and this could be attributed to the court ruling by the Supreme court of Zimbabwe against all odds to the effect that funds which were borrowed in US \$s during the multiple currency era were to be repaid in ZW dollars at a rate of ZW\$1 = US\$1. A number of creditors lost huge sums of money by this court ruling. Figure 3 below supports the above argument.

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non -Performing)
	<p>supports working capital requirements for exporters so that the exporters can “produce exportable products and assist exporters in the management of CDI forms said an Agribusiness Manager. The Group currently has two facilities in place, which are in operation and the financiers have not indicated an intention to review terms and conditions,</p>		<p>a capital adequacy ratio above the RBZ recommended minimum of 12 %.</p> <p>It has moved from a low of 16.3% in 2015 to a high of 36.77% in 2019 see Figure 1 below for a pictorial appreciation.</p>	<p>profitability took a dip in 2019 of only US\$ 18 million compared to a high of US\$ 72 million in 2018 reflecting a reduction by over two thirds.</p>	

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non -Performing)
	particularly availability according to the 2019 Annual Report.				

Figure 5: CBZ Bank Capital Adequacy Ratio

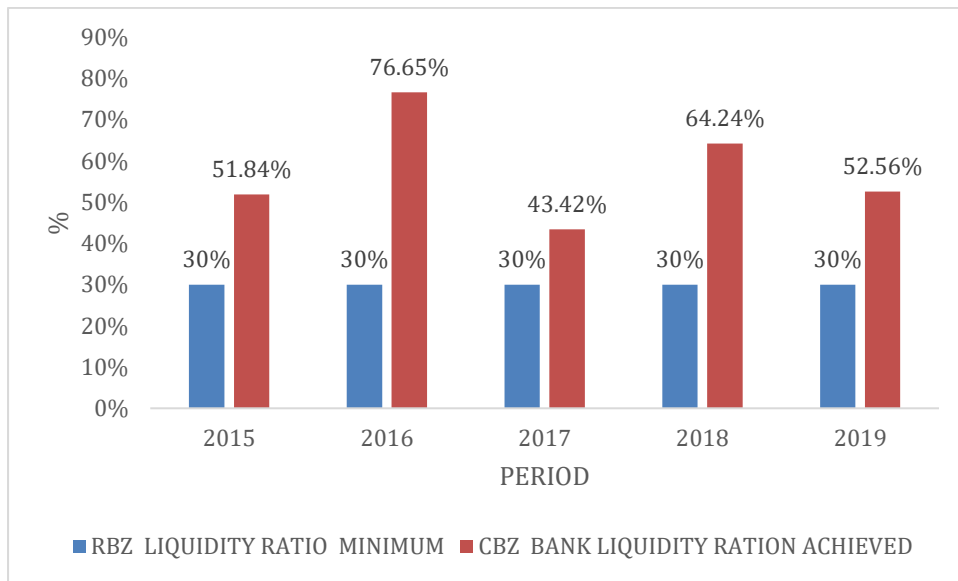


Figure 6 CBZ Bank Liquidity Ratio

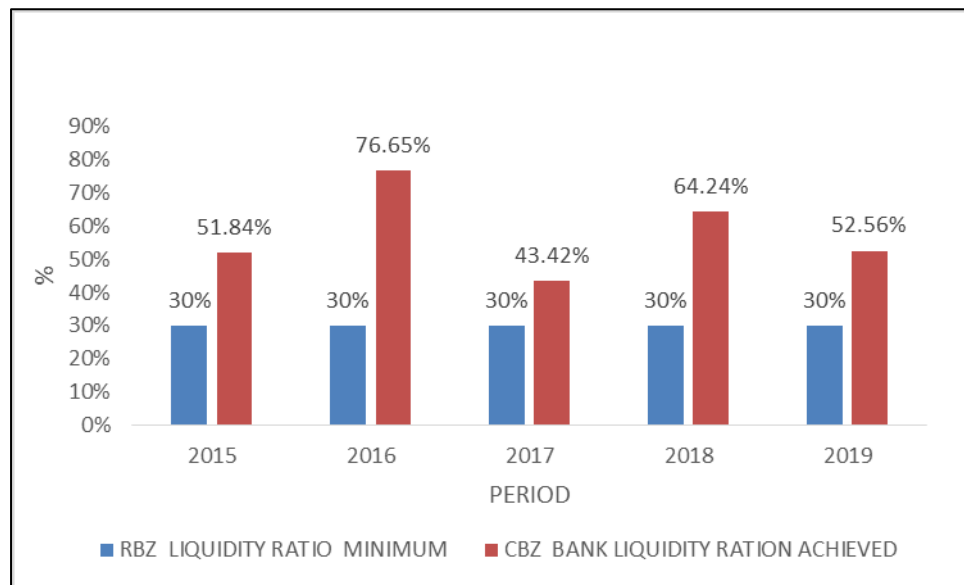


Figure 7: CBZ Bank Ltd Non-Performing Loans

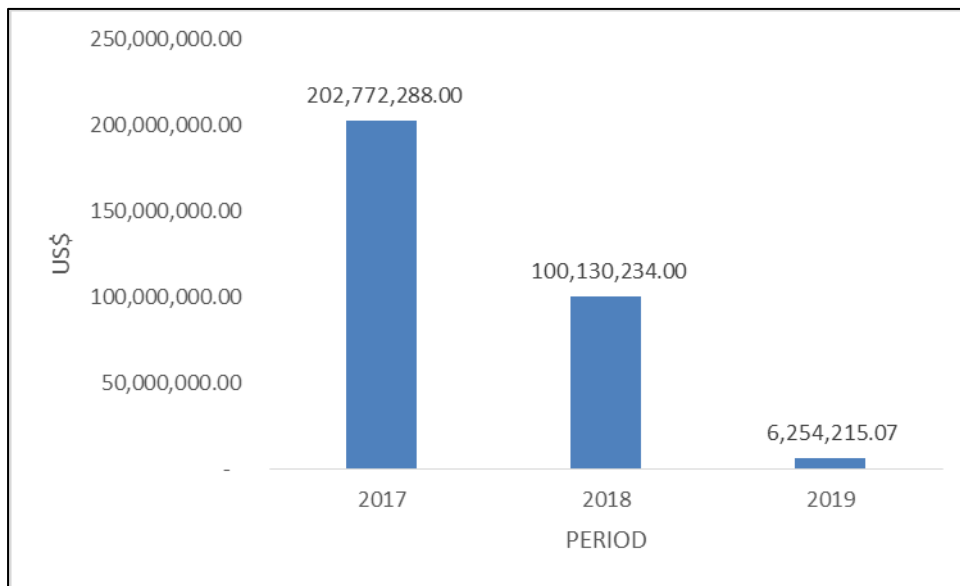
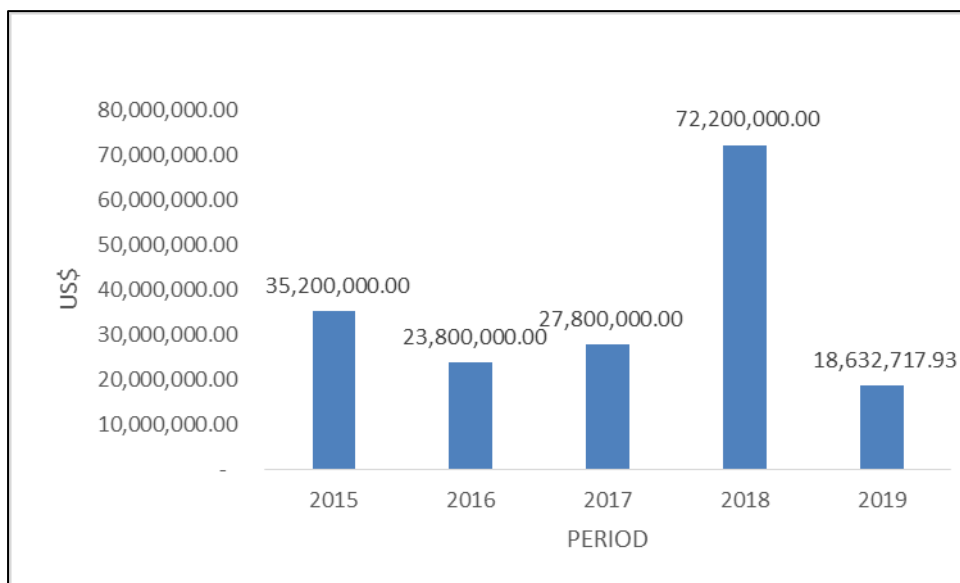


Figure 8: CBZ Bank Ltd Net Profit after Tax



NMB (NATIONAL MERCHANT BANK) BANK LTD

SECTION 1: Introduction

NMB Bank Ltd formerly called National Merchant Bank Ltd was established in 1993 as a bank incorporated under the Companies Act (Chapter 24:03) and is registered as a Commercial Bank in terms of the Banking Act (Chapter 24:20) according to the Annual Report of 2007. It was established after the deregulation of the Financial Services Sector by the Government of Zimbabwe following the introduction of the Economic Structural Adjustment Programme recommended by the Bretton Woods Institutions (The International Monetary Fund (IMF) and The World Bank (WB)).

It started as a Merchant Banking Financial Institution dealing mainly in the Imports and Exports sector of the Zimbabwean Economy before turning itself into a Commercial Bank (in YEAR). On turning into a Commercial Bank it changed its name from National Merchant Bank to NMB Bank Ltd as it is called today. Two incidents to note are that in 2004 it lost its banking licence to The Reserve Bank of Zimbabwe (RBZ) (The Central Bank of Zimbabwe) following allegations of massive foreign currency parallel market dealings and other non-banking illegal activities. The entire board was forced to resign and some of the board members skipped the country borders to seek refuge in Britain.

However, the second incident involved a fraudulent activity in 2006 which made the bank loose about US\$ 6.4 million and destabilized its capital base. According to the Audited Financial Statements of 2007 page 77 “A fraud involving about US\$ 6.4 million was uncovered wherein foreign currency was deposited by a bank official for Zimbabwe Dollars at the then ruling exchange rate of ZW\$250 to the US\$ without authority” and in pursuance of that the bank lost its foreign currency dealership licence on 16 May 2007.

According to the 2019 Annual Report the Board of Directors (BoD) is chaired by Mr. Benedict A. Chikwanha and deputised by Mr. Charles Chikaura. Mr. Benedict P. Washaya is the Chief Executive Officer while Mr. Benson Ndachena is the Chief Finance Officer.

The board is composed of 10 members seven of whom are Independent Non-Executive. This meets the requirements of good corporate governance which states that the board should be composed of more independent non-executive directors according to the Cadbury Report of

1992. There has been stability in the board composition since only one director resigned in January 2019.

The five top shareholders of NMB Bank Ltd' are depicted below as at 31 December 2018. They are all private sector shareholders.

Figure 9: NMB Bank Ltd Top 5 Shareholders

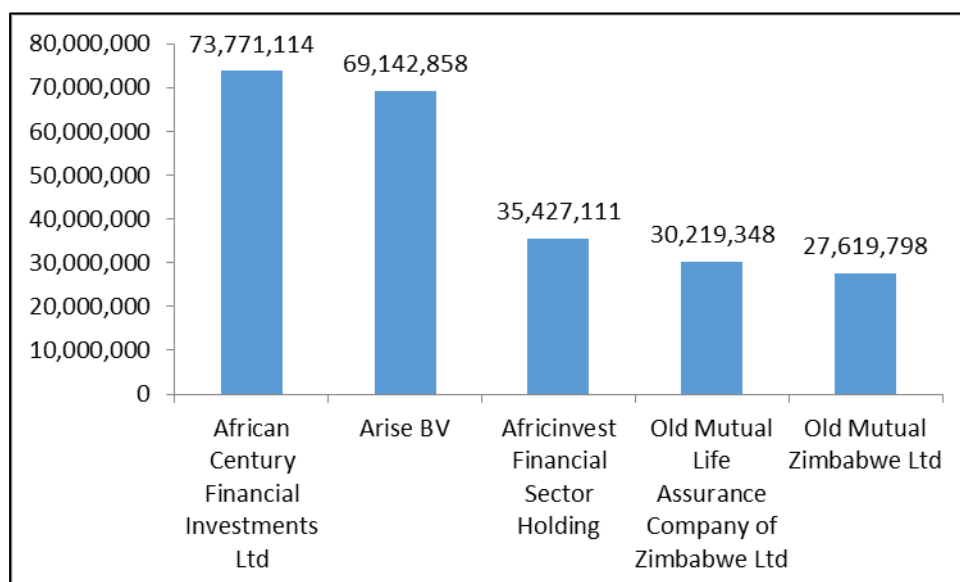
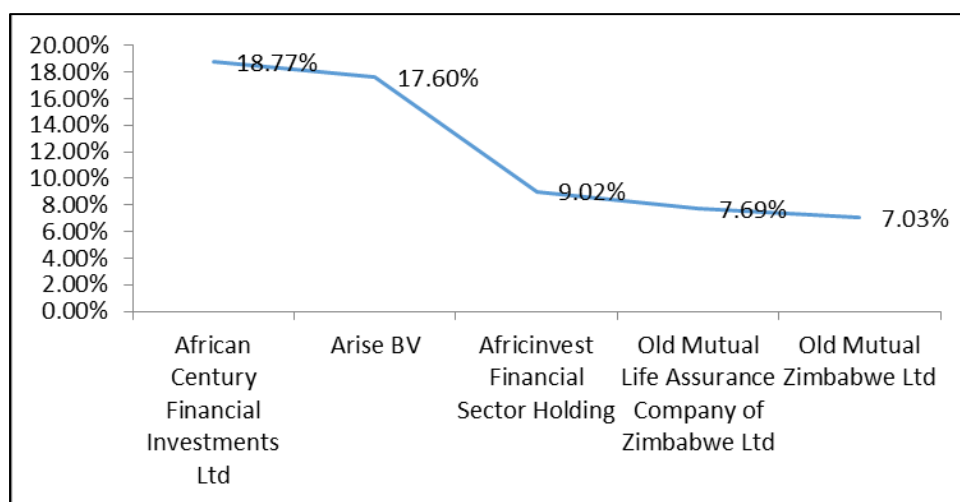


Figure 10: Main Shareholders: Shares of Ownership



Source: NMB Holdings Website – cited on 06.09.2020

The balance of 39.89% is spread widely as NMB Bank is a quoted company on the Zimbabwe Stock Exchange.

The management structure of NMB Bank Ltd is listed in Table 7.

Table 7: NMB Bank Ltd Management Structure

Name	Title
Benefit P. Washaya	Chief Executive Officer
Benson Ndachena	Chief Finance Officer
Lionel Chinyamutangira	Business Development Executive
Loyd Gore	Deputy Chief Executive Officer
Fanwell Mutogo	Head Corporate Banking
Simon Tembo	Head Retail Banking
Addison Shoniwa	Head Treasury
Jeskinus Z Mukunoweshuro	Head Human Capital
Fradreck Chimhenga	Head Credit Management
Ashley Fushai	Head Risk Management
Shumirai Pashapa	Head Legal and Corporate Affairs / Company Secretary
Alwin Chinyoka	Head Operations

Source: NMB Holdings Website – cited on 06.09.2020

The Bank Chairman acknowledges in his statement in the Annual Report of 2019 that “the operating environment is challenging”. He went on to say “The financial results continue to be largely driven by the Bank’s continued diversification into the broader market segments, enhanced use of the bank’s digital offerings, stricter credit underwriting standards, containment of non-performing loans and fair value gains on investment properties and property and equipment.” NMB Bank as a registered Commercial Bank is operating in the Retail and Commercial Banking. It also has a Treasury and International Banking. It provides Corporate Finance Services as well.

The following is the global credit rating of NMB Bank Ltd over the recent past.

Table 8: Global Rating Details

Details	2019	2018	2017
Global Credit Rating Score	BB-	BBB-	BB+

The above table shows that the bank is weak in risk management as it is yet to reach the AA grades in the years under review.

SECTION 2: Operational

NMB Bank has been receiving adverse opinions in 2018 and 2019 as a result of “In light of the failure to fully comply with the requirements of IAS 21, the Group’s independent auditors, Ernst & Young, have issued an adverse opinion on the financial statements for the year ended 31 December 2018.” According to the Annual Report of 2019 “These abridged financial statements have been audited by Ernst & Young Chartered Accountants (Zimbabwe) and an adverse audit opinion issued thereon due to non-compliance with International Accounting

Standard 21, “*The Effects of Changes in Foreign Exchange Rates*” and non-compliance with International Accounting Standard 8, “*Accounting Policies, Changes in Accounting Estimates and Errors*”. There are no key audit matters communicated in the auditor’s report.” The adverse opinion came out mainly because Zimbabwe adopted a functional Local Currency midstream the financial year and most institutions received the adverse opinion. In the same Annual Report of 2019 “ For management purposes, the Bank is organised into five operating segments based on products and services as follows:

1. Retail banking covers individual customer’s deposits and consumer overdrafts, credit card facilities and funds transfer facilities.
2. Corporate Banking looks at loans and other credit facilities, deposit and current accounts for corporate and institutional customers.
3. Treasury oversees money market investment, securities trading, accepting and discounting of instruments and foreign currency trading.
4. International Banking is there to handle the Bank’s foreign currency denominated banking business and manages relationships with correspondent.
5. Digital Banking looks at the Bank’s digital banking products including Card and Point of Sale (POS) service”.

In terms of the bank’s branch network, NMB Bank is headquartered in Harare at Unity Court, Kwame Nkrumah and First Street. According to the NMB Website cited on 06 /09/2020, NMB Bank Ltd have 18 Branches 9 of which are in Harare and the other 9 are spread throughout out the country with one Branch in each of the following towns and cities:

- Bindura,
- Bulawayo,
- Chinhoyi,
- Chitungwiza,
- Gweru,
- Kwekwe,
- Masvingo,
- Mutare, and
- Victoria Falls.

The Bank’s Automated Teller Machine (ATM) network covers the following locations:

- Avondale - Harare
- Borrowdale - Harare
- Bulawayo
- Card Centre - Harare
- Chinhoyi
- Chitungwiza Town Centre
- Eastgate - Harare
- Fruit & Veg - Greendale, Harare
- Gweru
- Joina City - Harare
- Kwekwe
- Masvingo
- Msasa - Harare
- Mutare
- Southerton – Harare.

However, these ATMs have been rendered almost useless given the macro-economic conditions in Zimbabwe especially over the last three years where access to physical cash has been a major challenge for the banking public. After the reintroduction of a local currency in 2019 these ATMs started to dispense cash in local currency as prescribed by the Reserve Bank of Zimbabwe, but the daily cash withdrawal limits were very low.

The use of point-of-sale machines has grown significantly over the recent past and the Government of Zimbabwe through its Central Bank and the Ministry of Finance has encouraged the use of plastic money and has limited the printing of physical cash thereby constraining the transacting public who may prefer the use of cash to plastic (card) money. With the advent of Covid-19 and consequent closure of branches the use of cards and internet banking has grown significantly. The bank has embarked on a digitization trajectory marked by the introduction of paperless low-cost account opening the Chairman alluded to in his 2019 Chairman's statement in the Annual Report of the same year.

Experience with Lines of Credit

According to the NMB 2019 Annual Report "The banking subsidiary owed USD 13 840 412 to various providers of lines of credit at 31 December 2019. The Bank registered these foreign debts with the Reserve Bank of Zimbabwe (RBZ) as required by the regulatory directives.

During the period under review, the Bank transferred to the RBZ the ZWL equivalent of the foreign debts at a rate of USD/ZWL1:1. The RBZ indicated that they will be issuing a USD denominated instrument for these debts and consequently these debts and the RBZ deposits were accounted for at the closing exchange rate of USD/ZWL 1:16.77 at 31 December 2019. This effectively valued the original credit lines at a rate of 1:1 on a netted off basis. Subsequent to year end, the RBZ approved the line of credit balances amounting to USD13 840 412”. The adoption of the legacy debt by the RBZ has had serious negative impact on macro-economic performance of the country as a whole.

ICT infrastructure and capacity

NMB Bank Ltd is well configured in terms of ICT. This has made its business resilient in the face of the Covid 19 pandemic. During interviews with the IFAD consultant, the Agribusiness Manager stated that “staff members have been given systems remote access to enable working from home. He went on to say “physical customer visits are being minimised and most meetings are being held virtually”. Finally, the Agribusiness Manager indicated in his response to our question about health and safety that “The Bank has fully adopted WHO Covid-19 guidelines on maintaining safe working environments”. The manager also directed the researcher to their website: www.nmbz.co.zw to obtain data regarding their financial statements including status of level of non-performing loans.

SECTION 3: Assessment

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing)
NMB Bank has the strategy of “To grow and double current Agribusiness portfolio by 2021 through offering tailor – made working capital and capex (capital expenditure) funding solutions to farmers in all sectors that include seasonal cropping, horticulture, livestock, floriculture etc.” said the Manager at NMB Bank Ltd – head of Agribusiness	The bank has experience in foreign currency credit lines. NMB Bank Ltd has “accessed lines of credit... from Afreximbank US \$ 20 million, Trade Bank (formerly PTA Bank) US\$ 10 million as well as DFIs such as FMO US \$ 15 million, Norsad US \$ 10 million etc. “All personnel	The Agribusiness Manager indicated strongly that “NMB Bank would be interested to partner IFAD in supporting and exploiting the potential in the agriculture sector.”	NMB Bank has consistently surpassed the Capital Adequacy Ratio as prescribed by The Reserve Bank of Zimbabwe between 2015 and 2019 which period is under review for this report Figure 3 below shows comparison of NMB Capital Adequacy Ratios against those prescribed by Reserve Bank of Zimbabwe from 2015 to 2019. In 2020 a post period to this report prescribes the Capital Requirement of US \$ 20 million equivalent in ZW\$. NMB Bank in response to this requirement has decided not to	According to Figure 4 below NMB Bank Ltd has consistently shown a satisfactory level of liquidity above the required RBZ ratio with a high of 60.72% achieved by NMB Bank Ltd against the required 30 % in 2019. It should be noted however that this ratio may not be very informative given that RBZ required ratio has remained 30 % since 2016 against a hyperinflationary	According to the NMB Annual Reports 2015 to 2019 the Bank has achieved a massive improvement in containing Non- performing loans from 13.19% in 2015 to as little as 1.37% in 2019. This is due to a stricter credit underwriting standards being implemented and an aggressive containment of Non - performing loans through an aggressive collection efforts put in place by

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing)
	that managed these facilities are still with the bank” the Agribusiness Manager implored.		declare a dividend. Non-payment of a dividend could send a wrong message to current and potential investors because Dividends are a form of thank you to the subscribing shareholders. In 2018 NMB declared a scrip dividend of 0.96 RTGS dollars per share according to the 2018 Annual report and this change to not declare any in order to meet the RBZ Capital requirement may send the wrong message. According to Brealey, Myers and Allen (2011) p 425 “investors do not get excited about the level of a company’s dividend, they worry about the	environment the country faces. NMB Bank has consistently posted huge profits in the periods under review although with the advent of the Corona Virus 2020 could reflect a different story. Figure 5 below depicts the profitability which rose to a high of US \$ 21,267.632 in 2018 but took a dip in 2019 to US\$ 11,269,032 after revaluing by applying the exchange rate of ZW\$ 16.77 = US\$ 1	management according to the 2019 Annual report. However added to the above argument the reduction could be attributed to the court ruling by the Supreme Court of Zimbabwe recently which stated that funds borrowed during the multiple currency era in US \$ were to be repaid in local ZW\$ currency. Creditors were dealt a blow in that they experienced huge losses because of that ruling. Figure 5 below shows pictorially the decline in

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing)
			change” from declaring one to not declaring any. Brealey et al go on to say they view the change as an “an important indicator of the sustainability of earnings.” Although NMB Bank Ltd has shown consistently that it meets the required capital levels according to Figure 4 below between 2016 and 2018, in 2019 after adjusting for the exchange rate of ZW\$ 16.77 to US\$ 1 – the bank is short of the RBZ required capital of US\$ 25 million. This could explain non- payment of dividend in order to meet the RBZ	which was the closing rate as at 31 December 2019	non-performing loan requirement ratios from 2015 to 2019. Figure 5 below highlights the non-performing loans pictorially.

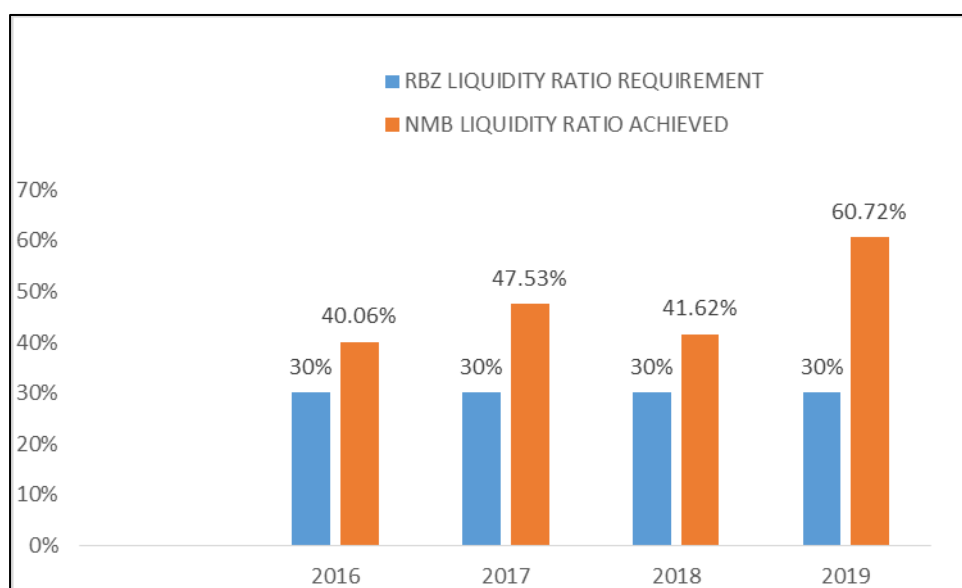
Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing)
			requirements of US\$ 20 million by year 2020.		

Figure 11: NMB Bank Capital Adequacy Ratios 2015 -2019



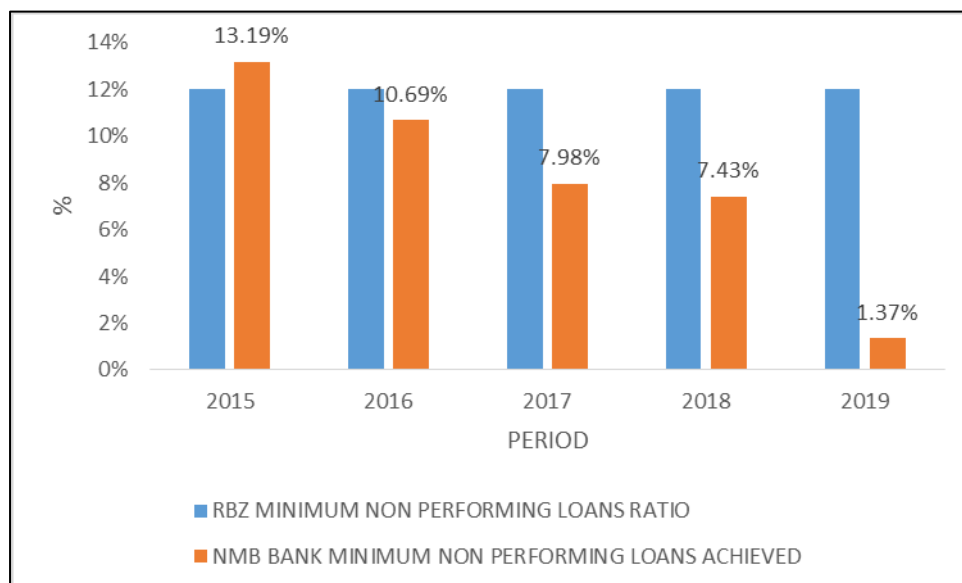
Source: NMB Bank Ltd Annual Reports 2016 – 2019.

Figure 12: NMB Bank Liquidity Ratios 2016 -2019



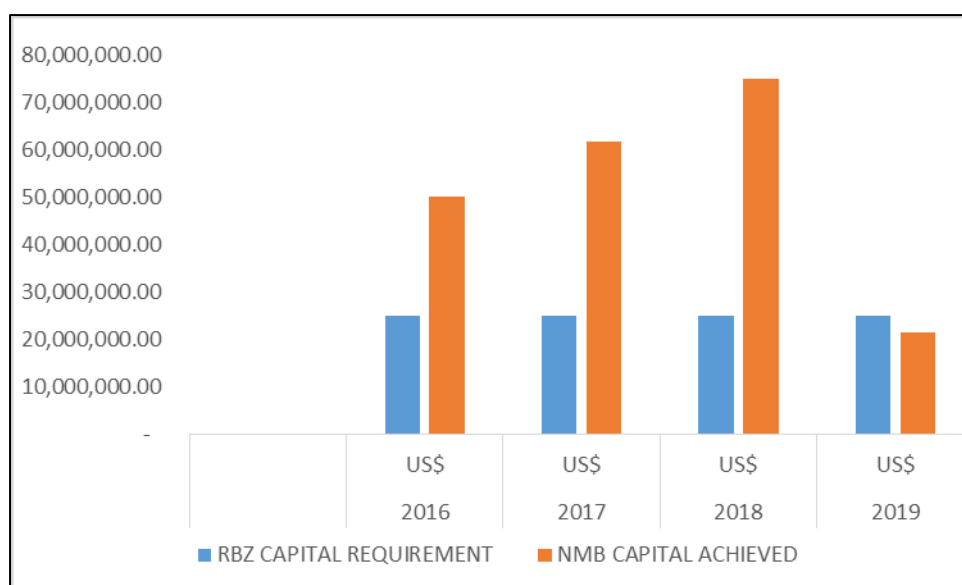
Source: NMB Bank Ltd Annual Reports 2016 – 2019.

Figure 13: NMB Bank Non-Performing Loan Ratios 2015 -2019



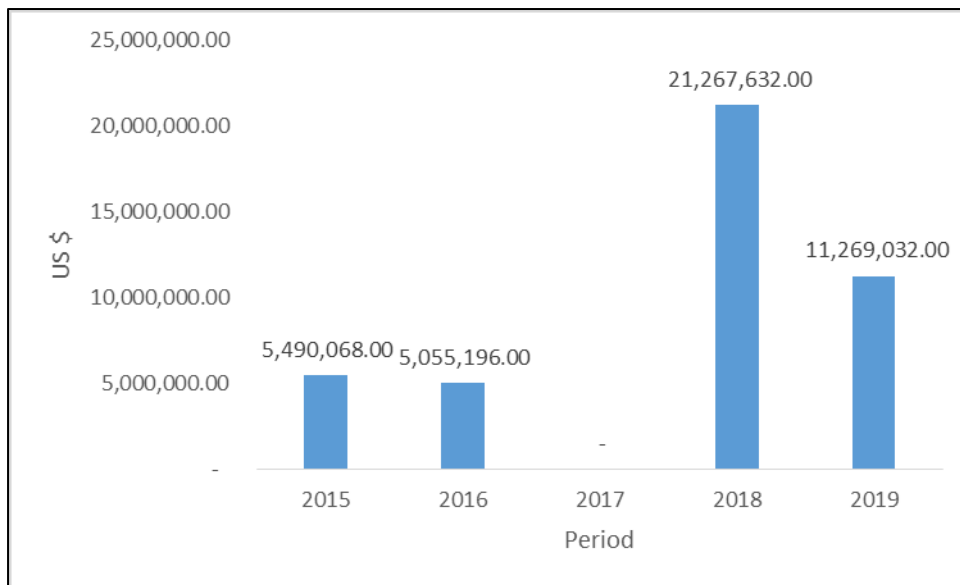
Source: NMB Bank Ltd Annual Reports 2016 – 2019.

Figure 14: NMB Bank Capital Levels 2016 -2019



Source: NMB Bank Ltd Annual Reports 2016 – 2019.

Figure 15: NMB Net Profit After-Tax Inclusive of Other Income 2015 -2019



Source: NMB Bank Annual Reports 2015-2019.

STEWARD BANK LTD

SECTION 1: Introduction

Steward Bank was launched in July 2013 following Econet Wireless Zimbabwe's acquisition of TN Bank, a subsidiary of TN Holdings Limited (now known as Lifestyle Holdings). Following its launch, the Bank has since positioned itself as a mass-bank, focused on providing banking solutions through the use of technology.

Steward Bank is the first bank in the country to have convergence with telecommunications and together with its technology focus the bank is set to change the way Zimbabweans view banking. The future prospects of Steward Bank are very promising, with a total capital base which stood at \$75 million on 28 Feb 2013, which is well in excess of the Reserve Bank of Zimbabwe's requirement of \$50 million by June 2013. Econet Wireless Zimbabwe Limited acquired 100% shareholding in TN Bank now Steward Bank in January 2013 and the Bank is now poised to become one of the leading banks. Steward Bank is a subsidiary of Econet Wireless which is listed on the Zimbabwe Stock Exchange.

The Board of Directors of Steward Bank is given in the table below which is in accordance with the 2019 Annual Report:

Table 9: Board of Directors of Steward Bank

Name	Since	Title
Bernard Chidzore	2017	Board Chairman
Courage Mashavave	2020	Acting Chief Executive Office
John Gould	2016	Non-Executive Director
Peter M. Mbizvo	2016	Non-Executive Director
Christopher Maswi	2016	Non-Executive Director
Nancy N. Chadehumbe	2016	Non-Executive Director
Krison V. Chirairo	2016	Non-Executive Director
Darlington Mandivenga	2019	Non-Executive Director
Lance Mambondiani	2016	Executive Director
Alfred Chaavure	2017	Executive Director

Source: Steward Bank Ltd Website – cited on 11.9.2020

The board has a diverse membership and is heavily in favour of non-executive directors which meet the requirements of good corporate governance according to the Cadbury Report of 1992. The board has only one executive director against seven non-executive directors including the chairman. Steward Bank has also undergone some credit rating despite its novice in the banking industry as shown below

Table 10: Steward Bank Credit ratings

Name	2018	2017	2016
Steward Bank	BBB	BBB	BBB-

Source: 2019 Steward Bank Annual Report

The bank has recorded a BBB credit rating with a minus in 2016 and a straight BBB in 2017 and 2018. The bank is yet to achieve an AA grade.

The management structure of Steward Bank is provided for in the following table:

Table 11: Management Structure of Steward Bank

Name	Title
Courage Mashavave	Acting Chief Executive Office
Arthur Matsaudza	Chief Technology Officer
Mudiwa Hood	Manager: Millennial Banking
Ruka Nyoka	Head of Human Resources
Chaavure Alfred	Chief Finance Officer
Tapera Mushoriwa	Division Head / Digital Payments and Financial Services
Takudzwa Muzvidzwa	Head of Digital Transformation
Theodora Mangwiza	Marketing and Creativity Manager
Florence Rusike	Risk and Compliance Manager
David Mapangela	Head of Risk
Twaibu Seremani	Programmes Director
Rudo Manjengwa	Merchant Service Manager
Blessing Chiwandire	Renewable Energy Manager
Malvern Kuona	Planning and Data Analyst
Enwell O. Bowen	Retail Credit Analyst
Daniel Njovana	Mortgage Loan Officer
John Gould	Chairman Auditor
Vimbai Chinyadza	Internal Audit

Name	Title
Jasper Sasa	Core Systems Manager

Source: Steward Bank Website – cited on 11/9/2020

SECTION 2: Operational

Steward Bank has 8 branches throughout the country but also a number of agents to complement the branches located in Econet Shops throughout the country as well.

Prior to Covid-19, the bank has always been structured in more of Digital banking system platforms. The bank introduced various platforms to upscale digitization. Some of the platforms include the following

1. Crowd funding – Kanzatu – Kanzatu
2. USSD Digital account opening
3. Nano Loans and
4. Kashagi

Steward Bank has also facilitated the use of VISA Cards, Point of Sale Machines across different banks, internet banking and general card services even before the advent of Covid 19. According to the 2019 Annual Report “The line of credit consists of funds advanced to the Bank for disbursement to entities in the agriculture value chains. The line is priced at 5% per annum, is unsecured, and payable over tenure of 12-36 months.”

According to Banks and Banking Survey (2019 p 54 “Steward Bank has fully embraced innovation on the digital front. It has launched Kashagi *263# Banking and Sosholoza on the WhatsApp Banking Platform in partnership with Facebook Inc.” Opening bank accounts and payment of bills has been made easy through adoption of technologies especially with the Covid 19 pandemic.

SECTION 3: Assessment

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing)
Steward Bank has programs that are already working under Rural Finance Pillar where they are giving credit facility to smallholder farmers and Steward bank is funding on its own. But it's still to be launched there has been delays due to the COVID-19 pandemic. They have also had other partners who come with their own funding and Steward bank manages the funding supporting agriculture value chain and also			Steward Bank has maintained above the minimum capital adequacy ratio which has been pitched at 68% in 2018 and 2019 according to the 2019 Annual report. The threshold for Capital adequacy ratio by the RBZ has remained at 12 % over the period under review.	The bank has maintained a healthy liquidity ratio in the reporting period with a high of 81% in 2017 tapering off to 75 % in 2019 which figures are way above the minimum of 30% as prescribed by the Reserve Bank of Zimbabwe (RBZ). The bank started with a loss of US\$ 8 million in 2015 but turned the corner and realised consistently Net Profit after Tax reaching a high of US\$ 32 million in 2018 which dipped in 2019 to only US\$ 1.3 million.	The bank has fought very hard to contain the non-performing loans moving from a high of 35 % in 2015 to a low of 11 % in 2017 which is below the maximum recommended by the RBZ. Figure 3 below depicts the picture of the non-performing loans clearly.

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing)
getting guarantees from those partners especially in the rural finance groups and SMEs					

Figure 16: Steward Bank Capital Adequacy Ratios

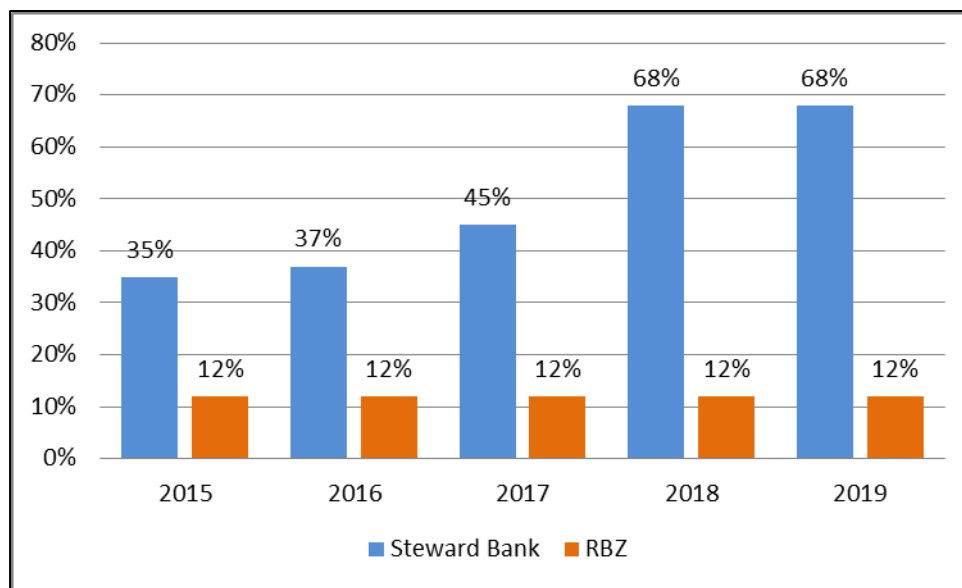


Figure 17: Steward Bank Liquidity Ratios

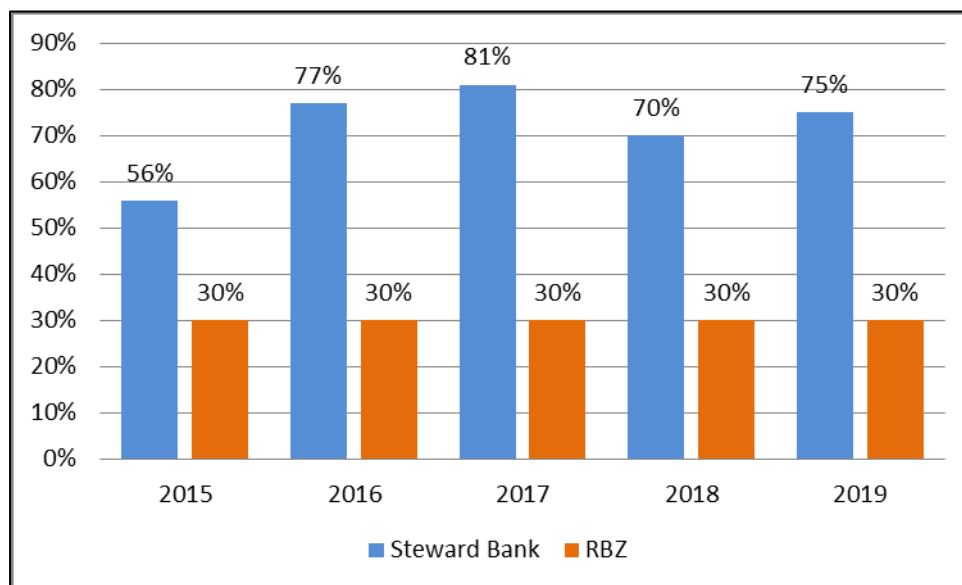


Figure 18: Steward Bank Non-Performing Loans Ratios

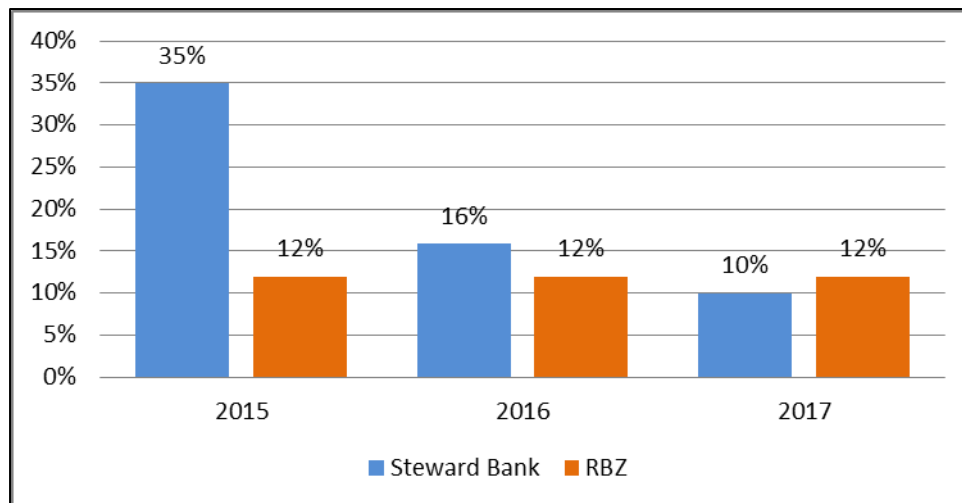
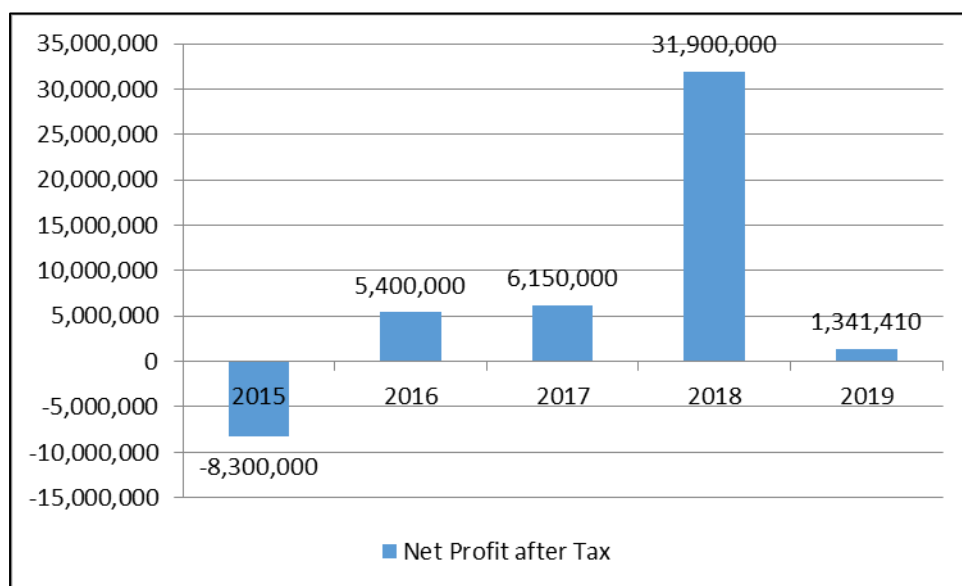


Figure 19: Steward Bank Net Profit after Tax



ZB (ZIMBABWE BANKING CORPORATION) BANK LTD

SECTION 1: Introduction

ZB Bank Ltd is the flagship of ZB Financial Holdings (ZBFH). Banking operations commenced in 1951 when the Netherlands Bank of South Africa opened a branch in then Salisbury, now Harare. These operations, which were sold to the Netherlands Bank of Rhodesia in August of 1967, maintained a steady growth through acquisitions and expansion of operations. The Company changed its name to Rhodesia Banking Corporation Limited in 1972 and then Rhobank in 1979.

After the acquisition of a majority shareholding in the Company by the Government of Zimbabwe in 1981 the Company changed its name to Zimbabwe Banking Corporation Limited. The Bank became a subsidiary of Zimbabwe Financial Holdings Limited (FINHOLD) in 1992 following a restructuring of operations in which non-banking operations were removed from the Bank.

The Bank was renamed ZB Bank Limited in 2006 following the adoption of a monolithic brand by the Group. The Bank provides retail banking and corporate banking services. The share ownership structure for the top five shareholders is shown in the table below.

Table 12: Shareholding Structure Top Five

Name	Number of Shares	% holding
National Social Security Authority (NSSA)	66,196,080	37.79%
Transnational Holdings Ltd	37,557,626	21.44%
ZB Financial Holdings Ltd	17,667,740	10.04%
Old Mutual Life Assurance Company of Zimbabwe	10,178,562	5.81%
Mashonaland Holdings	5,281,975	3.01%

Source: 2019 ZB Bank Annual Report

The balance of 21.91% is spread widely. Of interest to note is that the Government of Zimbabwe (GoZ) divested from this group directly but in its stead it is represented by the majority- shareholder NSSA combined with ZB Financial Holdings who have a total of 47.83%. The Government of Zimbabwe can still influence the goings on at ZB Bank to include even appointment of Directors through NSSA. NSSA is a parastatal or a State Owned Enterprise a vehicle for the GoZ to influence investment activities in the economy.

The Board of Directors as pronounced by the Annual Report of 2019 is as follows:

- Mrs P Chiromo (Acting Chairman)
- Mr. R. Mutandagayi (Group Chief Executive)
- Mr. F. Kapanje (Group Finance Director)
- Mr. O. Akerele
- Mr. T. S. Bvurere
- Mrs. A. Makamure
- Mr. A. Z. Mangwiro
- Mr. K. Maukazuva
- Mr. J. Mutevedzi
- Mr. P. B. Nyoni
- Ms. T. Sibanda.

The board complies with corporate governance which state that Non-Executive Directors should be more in number than the Executive. In the case of ZB Bank Ltd there are only two Executive Directors out of the eleven members.

The following tables shows the global rating for ZB Bank Ltd.

Table 13: Global (External) Credit Rating

Institution	2019	2018	2017
ZB Bank Ltd	BB	BB	BB-

Source: ZB Bank 2019 Annual Report

The above rating shows that there has been an improvement in the rating although it is still below the AA rating other banks achieved in the period under review.

ZB Bank and its affiliates provide a variety of products and services. including the ones listed below.

Retail Banking

- Savings accounts, • Current accounts, • Call banking, • Banc-assurance, • Personal loans,
- Mortgage loans, and • Home improvement loans, • Diaspora banking, and • Agents banking.

Micro-banking

- Micro business loans, • Savings accounts, and • Advisory

Electronic Banking

• Internet banking, • Mobile banking, • Automated teller machines (ATMs), and • Point of Sale (POS) machines.

Corporate Banking

• Term loans, • Overdrafts, • Advisory services, • Corporate savings accounts, • Corporate, current accounts, and • Corporate mortgages.

Treasury and Investments

• Fixed deposits, • Treasury bills, • Bankers acceptances, • Savings deposit account
• Foreign currency accounts, • Structured facilities, and • Investments advisory services.

International Banking

• Correspondent banking, • Exchange control and advisory services, • Clean documentary collections, • Documentary letters of credit, and • **Foreign lines of credit.**

The Bank through its affiliates also offer investments products, life insurance, mortgages among other products and services alluded to in the 2019 Annual Report.

SECTION 2: Operational

ZB Bank Ltd is widely spread in the country with a branch network in all towns and cities. As of April 2016, ZBBL maintained a network of 49 branches and 10 agencies across Zimbabwe, as listed in the 2016 Annual Report.

According to the 2019 Banks and Banking Survey p. 70 ZB Bank is ranked number 16 out of 18 banks in Zimbabwe in terms of performance judged through Ratio Analysis. The bank wanted more information on arrangement fees, establishment fee, interest rates and tenure before considering whether to participate or not. This information could not be provided by the Research Team as the research was at its initial assessment stage.

SECTION 3: ASSESSMENT

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing)
			According to the 2019 Annual Report “ZB Bank Limited and ZB Building Society were assessed using the Risk Assessment System (RAS) and were found to be at level 4 which is Fair in the circumstances. In the same report there is mention that the Bank met the minimum requirement of the Reserve Bank of Zimbabwe (RBZ) although the figure could not be easily traced.	According to the Annual Report of ZB Bank liquidity of the bank has remained strong to reach a high of 88 % in 2019. Figure 2 below shows the scenario pictorially. ZB BANK experienced a massive loss of US \$ 7 million in 2018 although it bounced back to realise a net profit after tax of over US\$ 25 million in 2019 restated in US dollars at the exchange rate of ZW\$ 16.7734 = US \$ 1. This rate has depreciated in	The 2019 Annual report stated that “Loan impairment charges to the income statement increased from ZW\$34.6m in 2018 to ZW\$75.6m in 2019 in line with the growth in assets exposed to credit risk. Overall credit quality however improved, with non-performing loans as a percentage of total loans reducing from 4.6% in 2018 to 2.2% in 2019.” A pictorial view of the non-performing loans is given in figure 2 below. The RBZ set the minimum liquidity ratio for ZB Bank at 5 % according to the

Strategy In Agribusiness	Experiences In Foreign Currency Credit Lines	Level Of Interest In Taking Up This Partner-Ship	Capital Adequacy	Profitability/ Solvency	Status Of Loans/Advances (Performing And Non - Performing)
				less than one year to ZW\$ 82 = US \$ 1. According to the Auction System of 8 September 2020 put in place by the RBZ. See figure 4 below to view the details.	Annual report of 2018 and it can be seen that the bank is in a weak position at 4.6% and 2.2 % in 2018 and 2019 respectively

Figure 20: ZB Capital Adequacy Ratios

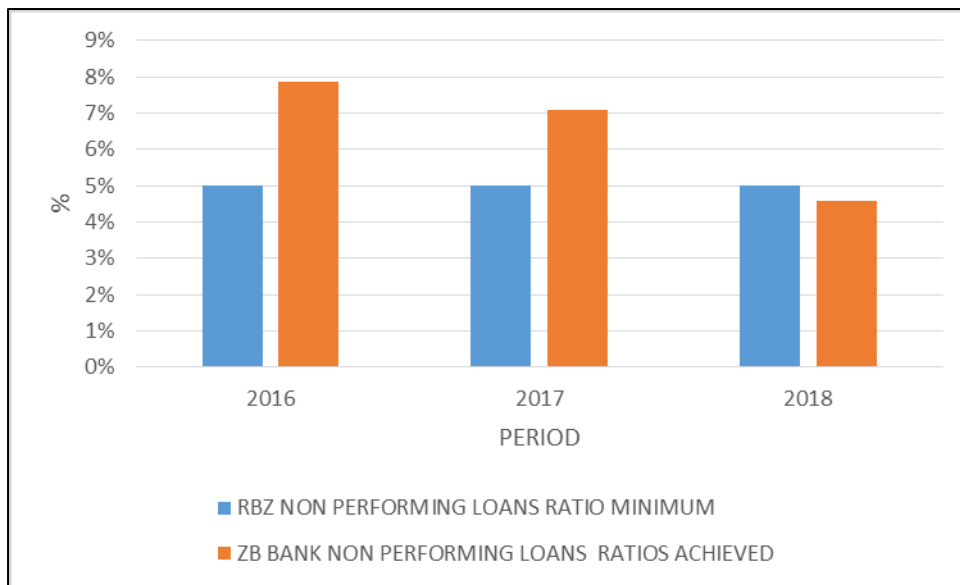


Figure 21: ZB Bank Ltd Liquidity Ratios

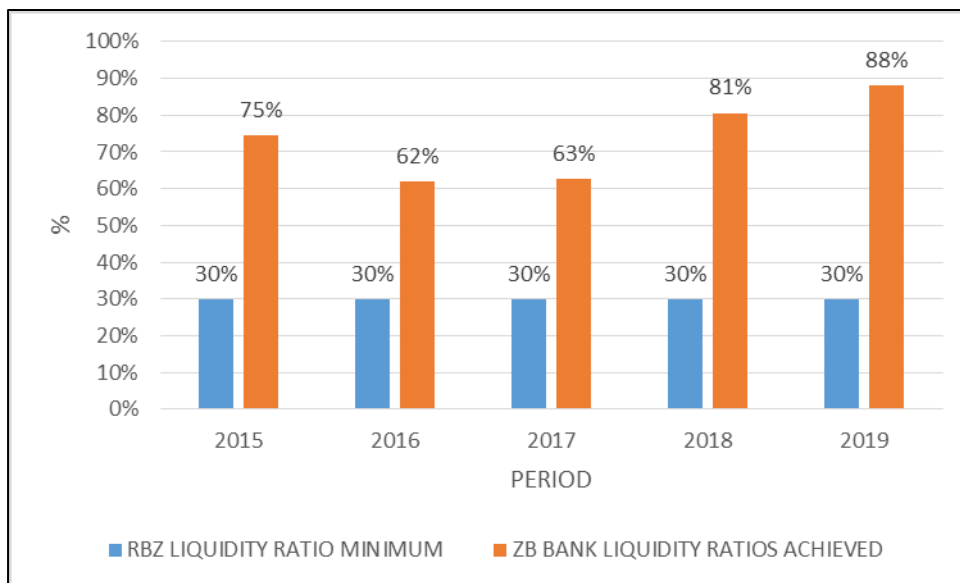


Figure 22: ZB Bank Ltd Non-Performing Loans Ratios

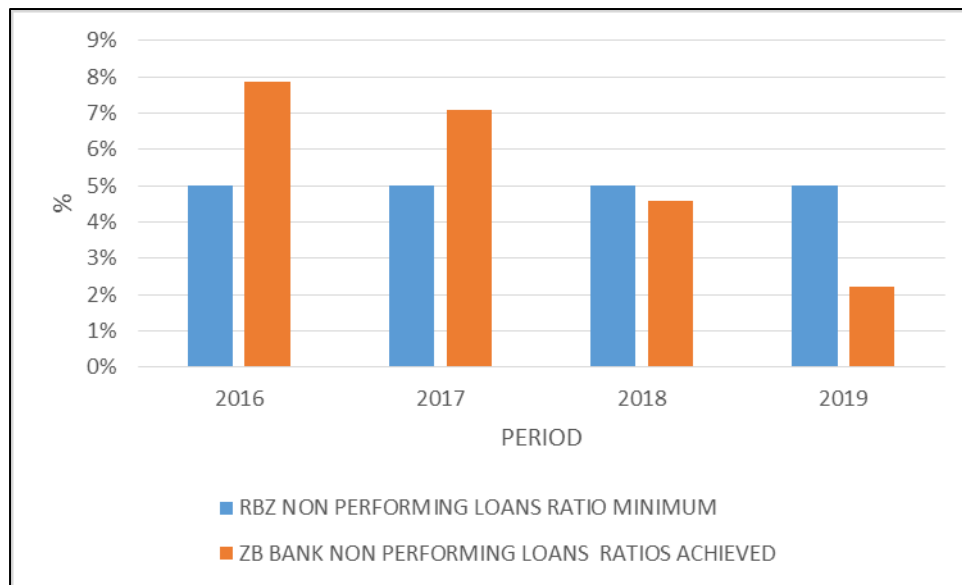
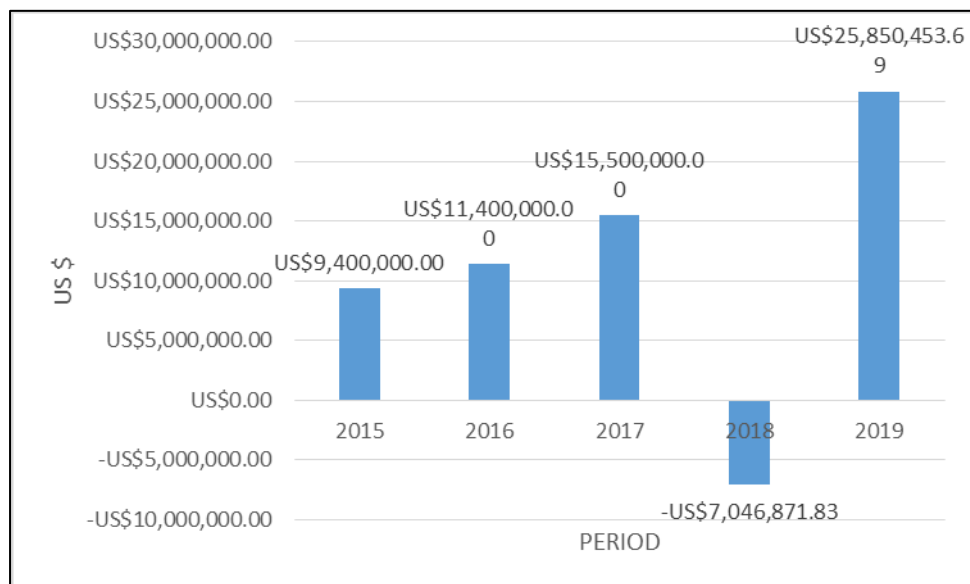


Figure 23: ZB Bank Ltd Net Profit (Loss) After Tax



CONCLUSIONS

Agribank is coming out of a perennial loss-making situation to profitability. Although the profits are modest it could be seen that the bank has turned the corner. The bank has instituted an aggressive debt recovery and as of 2019 the bank met the requirements of 4% against a maximum ratio of 12 % set by the regulatory authority (The Reserve Bank of Zimbabwe). However, the bank still maintains only two shareholders in the name of Ministry of Finance and Ministry of Agriculture which are effectively The Government of Zimbabwe. It has a robust IT system and has experience in managing foreign lines of credit.

CBZ Bank Ltd has shown a strong performance in the report period maintaining a very good external credit rating of AA throughout. It is well capitalised and has a strong agribusiness strategy. CBZ Bank Ltd also made huge strides in improving the recovery rate of non-performing loans from a high of over US\$ 202 million in 2017 to a low of only US\$ 6 million in 2019. The bank is highly liquid as most State Owned Enterprises which include the Revenue Authority (ZIMRA) and State owned Universities to mention a few bank with it. However the Reserve Bank of Zimbabwe took over a legacy debt of US\$ 450 million in the recent past which becomes a burden to the Zimbabwe economy in general and the Taxpayer in particular.

NMB Bank Ltd has had extensive experience in managing foreign lines of credit much larger than what IFAD is offering at the moment. It has also retained key personnel who have managed similar larger lines of credit according to responses the research team obtained from the agribusiness unit within the bank. The bank's financial position is strong with net Profit after Tax of over US\$ 11 million in 2019. However the bank has recently transferred a legacy debt of US\$ 14 million to the Reserve Bank of Zimbabwe as alluded to earlier on, which has a negative impact on the economy of Zimbabwe. It has also received adverse audit reports in the recent past mainly because of macro-economic fundamental functional local currency changes. The bank has instituted an aggressive debt recovery and its non-performing loans are now insignificant in 2019 compared to prior years. The bank maintains a good capital adequacy and liquidity ratios in excess of those recommended by the RBZ.

Steward Bank is a relatively new player in the banking industry in Zimbabwe but has made strides in the adoption of digital banking. It has also moved from loss making of US\$ 8.3

million in 2015 to profit making of a high US\$ 32 million in 2018. However profitability plummeted to over just US\$ 1 million in 2019 which could be a source of worry for potential partners. Liquidity and Non-performing loans ratios have improved in the recent past in line with Reserve Bank of Zimbabwe guidelines. However, the bank has remained in the BB categories of credit rating by external global credit rating agencies which is an indication of some fundamental weakness within the bank.

ZB Bank Ltd experienced a loss of US\$ 7 million in 2018 before attaining a modest profit of US\$ 26 million in 2019. It has not managed to meet the maximum non-performing loan cut off of 12 % set by The Reserve Bank of Zimbabwe in 2019 which could indicate a weak debt collection system in the bank.

RECOMMENDATIONS

Given the above institutional assessments and concluding remarks across the selected banks, the research team makes the following recommendations concerning the potential partnering of the above banks with the SACP Line of Credit operations.

- a. The limitations of Agribank reside in low profitability but could be considered with other banks on the offer at hand as it has a robust agribusiness portfolio and substantial experience in rural credit line operations as well as interest to develop its agro-business finance operations.
- b. Given the strengths of its agribusiness and experience in foreign lines of credit, CBZ Bank can manage the US\$ 2.5 million facility with relative ease. It is recommended that it be considered for this facility but taking into account its share ownership structure. The bank has a strong past experience in management of foreign credit lines and also has the appropriate personnel to manage the US\$2.5 million on offer as alluded to by the agribusiness manager at the bank. The bank has also consistently been awarded AA credit rating grades by external credit rating agencies which indicate a strong going concern status of the bank.
- c. NMB bank Ltd is being recommended to be a partner to IFAD given its strong past experience in management of foreign credit lines and having the appropriate personnel to manage the US\$2.5 million on offer. The bank has remained profitable even in the current macroeconomic environment and has a board structure which is commensurate with good corporate governance. According to external credit rating agencies the bank has not performed so well coming from a BB+ in 2017 to a low of BB – in 2018 and 2019 respectively. The bank has however retained its key personnel to manage foreign lines of credit hence the recommendation by the research team that it be given an opportunity to partner IFAD.
- d. Steward Bank Ltd is a relatively new player in the banking industry with less than ten years overall experience and has not demonstrated that it has managed foreign lines of credit. Its external credit rating is still low in the BB category therefore the research team is not recommending this bank to partner IFAD in the US\$ 2.5 million window of funding.

- e. ZB Bank Ltd is weak in debt recovery and has not met the threshold set by RBZ in the recent past which could be an indication of underlying operational problems within the bank's structures. It has not demonstrated experience in managing foreign lines of credits therefore we do not recommend a partnership with IFAD for it to manage the US\$ 2.5 million facility on offer.

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