

ANNEX

of the Commission Decision on the Zimbabwe Agriculture-based economic recovery

Action Document for Zimbabwe Agriculture-based economic recovery programme

1. IDENTIFICATION

Title/Number	Zimbabwe Agriculture-based economic recovery CRIS number: FED/027-282		
Total cost	Total estimated cost: EUR 13 000 000 Total amount of EDF contribution: EUR 13 000 000 11 th EDF Bridging Facility		
Aid method / Method of implementation	Project Approach Grants – direct award, procurement of services and supplies. Indirect Management with UNDP, FAO and ITC		
DAC-code	52010 /311	Sector	Food Security/Agriculture

2. RATIONALE AND CONTEXT

2.1. Summary of the action and its objectives

The overall objective of the action is to contribute to the economic recovery of Zimbabwe and increased resilience of the vulnerable and food insecure communities through support to the agricultural sector. The action will focus especially on building rural communities' **resilience** through an approach that is more informed and better able to measure its impact. Another specific objective of the action is to improve **livestock and horticultural** sub-sectors ability to cope with external shocks and strengthen the disease prevention and control measures in livestock sector and horticulture for their re-integration in international markets.

2.2. Context

2.2.1. Country context

With the adoption of appropriate measures under Article 96 of the revised Cotonou Agreement by Council Decision 2002/148/EC as last amended by Council Decision 2014/96/EU, based on the conclusion of Article 96(2) consultations with the Republic of Zimbabwe on 11 January 2002, EU assistance to Zimbabwe was reoriented mainly to programmes and projects in direct support of the population, in particular in social sectors such as health and education and from 2010 onwards to projects in support of the reforms contained in the Global Political Agreement (GPA) and in the food security sector. The EU support to food security and agricultural sector, included in this Action Document is compliant with these conditions, and will not be affected by a suspension or lifting of the current limitations to the cooperation with the Government of Zimbabwe.

Following the suspension of the application of Cotonou Agreement's Article 96 appropriate measures by the European Council Decision of 24 July 2012, Zimbabwe and the EU launched the 11th EDF programming exercise in August 2012. The exercise's first phase was completed in October 2012 with the submission of a draft Country Strategy Paper (CSP) 2014-2020 agreed by the EU Delegation and the National Authorising Officer (NAO). The CSP identified three focal sectors of concentration for the 11th EDF in Zimbabwe: health, agriculture based economic development, and governance and Institution building. On the basis of the CSP, the 11th EDF National Indicative Programme for Zimbabwe was formulated and submitted to the EDF Committee in November 2014, where it received a favourable opinion from EU Member.

As indicated in Council Decision 2014/96/EU, the appropriate measures expired as of 1 November 2014.

2.2.1.1. Economic and social situation and poverty analysis

Following a decade of negative growth, the Zimbabwean economy reached a positive trajectory after the adoption of measures to restore economic stability and growth through the Inclusive Government. 2013 growth has been however revised downwards and was estimated at 1.8 %, due to the acute slowdown in the last quarter of the year. 2014 growth is estimated now at 3% thanks to a good agriculture season that is expected to grow by 7.3% in 2014. However, it might have to be revised further down along the year. The slowdown on the economic growth is mainly due to lower international prices for the mining sector, visible signs of deflation, liquidity crisis and the vulnerable situation of the banking sector, policy inconsistencies and lack of clarity regarding application of the Indigenisation Law, external debt, fiscal gap and the widening of the trade deficit.

While the economic policy outlined by the new Government in the last quarter of 2013 has been positively received by the World Bank (WB) and the latest International Monetary Fund's (IMF's) staff monitored programme mission, there are serious doubts about the Government's capacity to generate enough revenues to cover the 2014 National Budget's USD 4.2 billion projected expenditures. Although both gross domestic product (GDP) and Human Development Index (HDI)¹ are still low, some of Zimbabwe's social indicators have improved in the last two years. These include indicators pointing to a revitalization of the health services delivery at district and rural level and to an increase in pupils' early learning in primary schools. However, this is an improvement not mirrored in other key areas for poverty reduction. The food security situation is still a matter of particular concern as we witness peaks and troughs demonstrating a population almost entirely dependent on a successful rainy season. 2.2 million Zimbabweans² were food insecure in the peak of the lean season (December-January-March) 2013/2014, this represents 25% of the rural households and is a 6% higher compared to the previous year³. The ZIMVAC report from 2014 states that the 2014/15 consumption year at peak (January to March) is projected to have 6% of rural households food insecure, showing a 76% decrease compared to the previous consumption year and representing about 564,599 people at peak, not being able to meet their annual food requirements. For this trend to continue to the next season everything is dependent on the success or failure of the next rains.

2.2.1.2. National development policy

In December 2013 the Government approved a new economic development blueprint, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZimAsset), which is envisaged to drive the national development agenda over the next five years. ZimAsset identifies 4 priority areas of intervention: food security and nutrition, social services and poverty eradication, infrastructure and utilities, and value addition and beneficiation. While ZimAsset's proposed interventions have been positively assessed by the WB, IMF, UN, its analysis of the causes of the deteriorating economic and social environment that Zimbabwe has experienced since 2000 appears to be quite simplistic as "illegal economic sanctions imposed by Western Countries" are identified as the main and only cause. Also, the feasibility of ZimAsset implementation raises a number of questions, particularly in relation to the Government's ability to fund it in the absence of a major international effort. Public service delivery, which has progressively improved since 2010, is very likely to continue to be heavily dependent on the donor community for the duration of ZimAsset. The Delegation's selected sectors of concentration for the 11th EDF are aligned to Zim Asset's priorities. The Government has clearly stated that ZimAsset is the basis on which it will engage with donors in the future.

2.2.2. Sector context: policies and challenges

The still low agricultural productivity and the high level of food insecurity in Zimbabwe are the result of complex interlinked factors, stemming from both a man-made crisis of a political and economic nature and an extreme vulnerability to climatic shocks. The main reasons for the protracted decline in agricultural production are limited access to and high cost of finance and unresolved issues on land,

¹ The 2013 United Nations Human Development Index (HDI) ranks Zimbabwe among low human development countries: 172nd out of 186 countries compared to 1998, when it ranked 130th out of 174 countries

² ZIMVAC (Zimbabwe Vulnerability Assessment Committee) report 2013

³ Rural livelihoods assessment 2013, ZIMVAC 2013

such as tenure, preventing land to be used as a bankable asset. The deteriorated economic situation has resulted in large scale unemployment at national level affecting in particular the rural areas.

Some improvement in agricultural production has been observed over the last years linked to the slow-economic recovery, and the reestablishment of market functions. Macro-level economic policy changes introduced at the beginning of 2009, such as the introduction of the multicurrency regime (mainly US dollar and South Africa rand) and liberalisation of trade restrictions, have created an environment for interventions which can use market mechanisms.

Substantial challenges remain in the area of sustainable agriculture and natural resource management, food and nutrition security, resilience to external shocks and market integration to sustain the fragile economic recovery attributed to more favourable macro economic conditions. The EU proposes to address these challenges through the Bridging Facility as well as through the subsequent 11th EDF.

In the last quarter of 2013, the Government has subscribed to the Comprehensive African Agricultural Development Programme (CAADP), part of the New Partnership for Africa's Development (NEPAD). The CAADP Compact was signed by the EU, World Bank, UN, private sector, civil society representatives and government. The commitment of the Zimbabwean government to CAADP offers an overall framework which can be supportive for the above action proposed for the 11th EDF "Bridging Facility".

The Food and Nutrition Security Policy was developed through a broad consultative process, which was supported by the EU, via FAO, and launched in May 2013. This national Policy provides a common reference for all players to tackle the food and nutrition insecurity problem by ensuring synergy while minimizing undue duplication and inefficient deployment of scarce resources. The biggest challenge for this policy is its multi-sectoral nature - it relies on all the relevant sector ministries working together to implement it. The project proposed in this Action Document has been developed in accordance with the objectives and in support of the national Food and Nutrition Security Policy.

2.3. Lessons learnt

Following recent evaluations, studies and programmes, a number of lessons learned can be drawn that should be taken into consideration for activities in the future:

A joint donor evaluation of a Food and Agricultural Organisation (FAO) implemented livelihoods programme targeting small holder farmers, carried out in July 2013 pointed out the following: It is evident that there is a need to adopt a more value chain approach for projects in the sector in order to lay the base for sustainable market systems. A value chain approach would help foster trust and transparency among key players, especially input suppliers and agro-dealers, and reduce defaults among agro-dealers. Sustainable increases in crop and livestock productivity are invariably linked to development of output markets.

Many programmes are still largely perceived as input distribution programmes based on short-term/one-off contracts, rather than a continuum from humanitarian relief to development, with interventions aimed at enhancing capacity of smallholder communities to increase productivity, food and nutrition security, resilience to climatic shocks, and to engage with markets. There is a need for a shift in mind set of the executing agency and implementing partners on the ground so that they are promoting production/enterprise systems or business models with the input support intervention.

Other lessons learned from the livestock programmes have shown that with regards to disease control: diseases have a significant impact of productivity which is rarely acknowledged and measured. The cheapest way to reduce the impact of diseases is through effective health management which includes disease prevention through biosecurity and vaccination as well as early detection. Early detection requires effective monitoring, involving observation, investigation, identification and action.

Regarding nutrition, it has been noted that malnutrition among children under 5 occurs in some areas (high rainfall) where maize as staple food is abundantly available, while in some other less favourable areas (less rainfall), the dietary pattern is more diverse (cereals and pulses). The nutrition objectives are needed to drive agricultural programmes in a manner that would better address nutrition.

With regards to lessons learned from resilience programmes as documented by studies and projects implemented by Mercy Corps and as described in the EU resilience Communication and Action Plan;

- There is a need to understand what resilience means in any given context, there is no blanket approach.
- There is a need to provide more multi-year funding with the budget flexibility to provide for relief in development strategies and to better manage risks posed by cyclical shocks.
- Resilience programmes can be supported by either humanitarian or development funding. For development donors, resilience funding would include contingency funding or similar mechanisms that allow protecting of development gains from risks posed by shocks. Contingency funds for crisis response need to be embedded into development programs.

2.4. Complementary actions

The EU efforts over the last years have focused on the transition from humanitarian assistance to a longer term development agenda. The EU is one of the major donors together with the Department for International Development (DFID) and the United States Agency for International Development (USAID) in the sector:

With Zimbabwe going through a phase of economic recovery, recognizing the role of markets, value chains and private sector in development, the approach of the EU has become more inclusive, which has resulted in the formulation of the objective for the bridging facility as "**Agriculture based economic recovery**", expressing stronger linkage between objectives of economic growth, food and nutrition security and agricultural development. The proposed actions will complement the actions funded under the Ad Hoc 2012/13, the Ad Hoc 2011 and under the Food Security Thematic Programme (FSTP) 2010, 2012. They all support the agricultural sector in the improvement of the management of the country's national resources.

In terms of complementarities, DFID is presently contracting its support for the next 5 years, under the "Livelihoods and Food Security Programme", targeting vulnerable communities of smallholder farmers, productive safety nets for the most vulnerable and contract farming for the more advanced smallholders. USAID has recently signed two major contracts focusing on some of the driest parts of the country (Masvingo and Matabeleland) to support the most vulnerable communities there.

In addition the EU is funding an African Union Interafrican Bureau for Animal Resources (AU-IBAR) Veterinary Governance Project in which legislation review and harmonisation in Africa is a key component. Further synergies with other AU-IBAR programmes could be further explored in order to look for complementarities i.e.: the prevention and control of priority animal diseases and enhancing market access and strengthening value addition.

EU also supports the adaptation strategy for the sugar sector (EUR 32 000 000) with as main activity cane replanting of the out-growers farmers. EUR 4 700 000 have been earmarked for the formulation and implementation of a Comprehensive Land Reform Programme (CLaRP). The CLaRP addresses resolution of conflict through a land audit, provides policy guidance on security of tenure, sets in place a coherent land administration framework and finally provides a framework for compensation.

2.5. Donor coordination

Coordination between donors has been continuously reinforced since 2010. In 2013, the Agriculture Inputs Steering Committee evolved into the Agriculture National Steering Committee (ANSC) now chaired by the Ministry of Agriculture, gathering all major stakeholders and promoting a common intervention strategy, aligned with Government policies. The group is extremely proactive in terms of sharing of information and in the elaboration of a common strategy ahead of the agricultural seasons. The participation to the ANSC allowed the EU to fine-tune its strategy and design the previous interventions as well as the proposed project.

Component 1 & 2: The FAO leads the Agriculture Coordination Information Forum (ACIF) which is co-chaired by the Ministry of Agriculture and informed by all relevant departments e.g. Department for Veterinary and Livestock Services (DVLS). The ANSC chaired by the Ministry of Agriculture will be a key platform monitoring coordination at national and sub-national levels of all donors

programmes. There are in addition a number of thematic working groups that feed into these forums both at the national and district levels.

On operational matters, the FAO is chairing the Agriculture Coordination and Information Forum regrouping all non-governmental organisations (124 non-governmental organisations (NGOs) listed) active in the sector, the technical departments of Ministry of Agriculture and other stakeholders. With regards to the "resilience agenda" the EU, the Directorate-General for Humanitarian Aid and Civil Protection (ECHO) and a number of other donors are developing the joint strategy and this has led to the formation of an ad-hoc group for coordination. As this process progresses it is likely that this will become more "formalised". UNDP in its lead of the development of the Zimbabwe United Nations Development Assistance Framework (ZUNDAF) will work closely with all UN partners, the government and other stakeholders in the development and design of the resilience agenda for Zimbabwe.

The EU is participating in almost all other donor coordination mechanisms related to agriculture, such as the Agriculture Sector Technical Review Group of the Analytical Multi Donors Trust Fund other technical working groups, on extension services market linkages and irrigation.

3. DETAILED DESCRIPTION

3.1. Objectives

Overall Objective: Contribute to economic recovery and increased resilience through support to the Agricultural Sector.

Specific objectives:

- 1) Communities in Zimbabwe benefit from support to building **resilience** that is more informed and better able to measure its impact.
- 2) **Livestock and horticultural** sub-sectors ability to cope with external shocks is improved and strengthened through improved disease prevention and control measures for their re-integration in international markets.

3.2. Expected results and main activities

According to the Zimbabwe Vulnerability Analysis (ZIMVAC) as well as the Famine Early Warning Systems Network (FEWSNET) updates, the 2013/2014 lean season was the worst in the preceding 5 years, with more than 2 million people in the rural areas provided with food assistance. For the 2013/14 season most parts of the country received normal to above normal rainfall and this contributed significantly to the observed upward trend in production when compared to 2012/13 season. The Ministry of Agriculture, Mechanisation and Irrigation Development estimated a cereal harvest surplus of 253,174 MT in the 2014/15 consumption year from a total cereal harvest of 1,680,293MT. The 2014/15 consumption year at peak (January to March) is projected to have 6% of rural households food insecure. This is a 76% decrease compared to the previous consumption year. This proportion represents about 564,599 people at peak, not being able to meet their annual food requirements.

The food insecurity is however acknowledged to have chronic structural causes that cannot be addressed with a conventional food assistance or humanitarian approach. The EU is therefore looking at ways in which it can contribute towards **resilience building** in collaboration with development partners - and in particular the EU Member States, in line with the 2012 Communication defining the EU Approach to Resilience COM(2012) 586

ECHO's recent phase out from Zimbabwe's regular operations is consistent with the acute emergency needs in the country; food insecurity remains however a concern. Over the last three years, the EU has made significant efforts towards linking relief, rehabilitation and development (LRRD) . By promoting a more collaborative innovative approach, this programme will provide funding continuity to actions started under the humanitarian instrument with the objective of "decreasing vulnerability/improving resilience", while maintaining a preparedness and emergency response capacity. Furthermore, in the Resilience Plan of Action, both the Directorate General for International Development and

Cooperation (DEVCO) and ECHO have committed to developing a Joint Humanitarian-Development Framework (JHDF) as a tool to achieve this.

The **livestock and agricultural/horticultural** sector saw their production drastically reduced in the last decades and Zimbabwe passed from being a net exporter of livestock and agricultural products to become a net importer. Supporting the country to control pests and diseases and improving or putting in place Quality Systems and sanitary and phytosanitary (SPS) measures would improve production and quality; it would help to support a more balanced and broad based production system; reducing at the same time food insecurity at national and household levels and would also enable regional and international marketing.

The following actions shall contribute to address the above described situation, in accordance with the project overall and specific objectives:

Component 1: Building Resilience of small holder food insecure communities (EUR 7 200 000)

The Commission Communication “The EU Approach to Resilience-Learning from Food Crises”⁴, sets out key policy principles for action to help vulnerable communities in crisis-prone areas to build resilience to future shocks. The Communication also states that "The Commission will moreover strive for joint programming of the resilience-related actions in its humanitarian and development assistance so as to ensure maximum complementarity, and to ensure that short-term actions lay the groundwork for medium and long-term interventions". In response to this and in the context of the humanitarian context in Zimbabwe the EU Delegation and ECHO have been working closely to develop a joint strategy on Resilience. Following the joint instruction letter sent to EU Member States in October 2013 this has involved consultations with other member states and work has begun with DFID to develop a "joint donor disaster resilience strategy for Zimbabwe" (currently in draft form).

A joint EU, ECHO and DFID mission took place in Zimbabwe in march 2014 to consult with a wide range of relevant stakeholders in Zimbabwe in order to start developing the joint strategy and look at how best to incorporate the resilience agenda in both on-going and future programmes. During the process of developing the strategy a wide range of consultation has taken place with relevant stakeholders – UN partners, International Non-Governmental Organisations (INGO's), other donors and through the UN, relevant government stakeholders. Experience, tools and lessons learnt related to the resilience agenda are being drawn in to the design phase. Participation and involvement of the UN FAO and World Food Programme will ensure that there is alignment to the global strategy and the Resilience Index Measurement and Analysis (RIMA) model. The RIMA model is being further tested and developed in the Horn of Africa with ECHO funding during 2014 within the Resilience Analysis Unit (RAU) within the Intergovernmental Authority on Development (IGAD) resilience platform. Lessons and experience will drawn be directly from this.

The EU in Zimbabwe is already funding the FAO to support the roll out of the Food Security Integrated Phase Classification (IPC), in Zimbabwe. Furthermore, the chronic IPC phase has been piloted in Zimbabwe (together with Lesotho and Malawi in the Southern African Development Community (SADC) region), and should provide useful analyses for resilience building and development in the future. This and a number of other relevant tools and data sets will be an integral part of the process.

To start the process of implementing the above instruction letter, and develop a broader joint donor position, the joint donor resilience strategy outlines 8 guiding principles for taking the new strategy forward. These are not to restrict innovation or stand-alone resilience building programmes but should be a common ground understanding through which donors can coordinate, scale-up programming and engage with government and implementing agencies. The Strategy also outlines the proposed next steps a number of which are to be supported by the EU through this Action Document.

⁴ European Commission – Communication from the Commission to the European Parliament and the Council – The EU Approach to Resilience: Learning from Food Security Crises. Brussels, 3.10.2012

1) Resilience Assessment for Zimbabwe; What does resilience mean in the context of Zimbabwe?

There is a strong movement of commitment among humanitarian and development actors to strengthen the resilience of populations and regions experiencing recurrent crisis. There is a need to translate theories about what contributes to resilience into testable hypotheses, and then evaluate if and under what conditions they apply to Zimbabwe. Evidence from such research is essential to understand what is unique about resilience programming and what humanitarian and development interventions need to do differently to enhance resilience. Furthermore, measuring resilience is commonly done through measuring livelihoods, which has proved not to be a sound approach⁵. A more independent set of indicators is needed. The Action will support appropriate knowledge generation activities that are expected to produce a definition of resilience in the Zimbabwe context and a set of realistic and independent indicators to measure resilience in Zimbabwe; ideally, it can then be developed into more of a planning tool.

2) Study: Understanding the causalities of chronic malnutrition as a key bottleneck to strengthening resilience in Zimbabwe -

Zimbabwe's situation is characterised by high stunting (>30%)¹ and low Global Acute Malnutrition (GAM) (<3%)⁶, with significant geographic, age, gender and socio economic disparities. Stunting slows a child development and has productivity consequences in later life. Stunting therefore affects resilience twofold. Firstly, delayed development in children makes them more vulnerable. Secondly, reduced productivity in adults makes them less able to cope. The main determinants of stunting in Zimbabwe have not yet been articulated. The main objective of the exercise would be to identify and understand the causes of chronic malnutrition in Zimbabwe in order to inform the 11th EDF programming 2014-2020 and to raise broader awareness of the issue.

3) Comprehensive evaluation of the CAMPFIRE programme

Sustainable natural resource management, and in particular The Community Areas Management Programme for Indigenous Resources (CAMPFIRE) was initiated in Zimbabwe in the 1980's. CAMPFIRE was a world leader in Community Based Natural Resource Management (CBNRM) assuring sustainable utilisation of natural resources and encompassing collectively some 50,000km² of wilderness area. CAMPFIRE remains of vital importance to the promotion of wildlife and ecosystem conservation, CBNRM, and tourism in Zimbabwe – so contributing significantly to socio-economic and ecological resilience and sustainable development in the country. There is, however, urgent need to conduct an in-depth assessment of CAMPFIRE projects – both individually and collectively – in order to identify and rectify systemic problems within the programme. This component would provide the possibility for the implementation of a CAMPFIRE restructuring programme to conduct an in-depth assessment of the CAMPFIRE Programme throughout Zimbabwe to identify strengths, weaknesses and problems to inform Programme and Policy review, and ensure a broad-based consultative process to inform review of relevant national policies, guidelines and institutional relationships at National and Local level. This action will serve to provide evidence of an extremely successful type of programme that ensures the protection and increased resilience amongst vulnerable communities in the context of Zimbabwe.

4) Setting up and Creation of a Resilience Fund

All stakeholders in Zimbabwe are looking at ways in which they can contribute towards resilience building by drawing humanitarian assistance and development programmes closer together as well as by creating an opportunity for all stakeholders to come together and formulate comprehensive programmes targeting the underlying causes for food and nutrition insecurity among the most vulnerable.

Due to the complexities of the known underlying causes of the current situation it is proposed to set up a Resilience Fund which will provide the necessary flexibility to support actions that are multi-sector, multi-level, multi-partner and that can be strategically and jointly planned with the communities at risk

⁵ ODI Working Paper 34 (2013) Measuring Resilience

⁶ Zimbabwe Demographic and Health Survey 2010-11

as well as the government bodies working to support them. The Resilience Fund will be designed to create the necessary flexibility to develop time and location sensitive activities, inclusive of humanitarian and development partners over a medium to long term period.

Trust Funds have become an important funding mechanism in Zimbabwe to channel and leverage resources in an effective and coordinated way in support of multi-sector, multi-partner, multi-level development efforts. The increasing use of Trust Funds (in particular multi donor) is a direct application of the aid effectiveness agenda and UN reform initiatives in support of nationally determined and led development programmes. The principles of national ownership and leadership are key principles of the Paris Declaration on Aid Effectiveness, reconfirmed in the Accra Agenda, and central to the UN operational activities for development.

In the case of the Resilience Fund it would be designed as a funding mechanism, which can receive contributions from one or more donors that are held in trust by the UNDP as the appointed Administrative Agent. Donor resources are used to fund programmatic allocations implemented by specified partners in Zimbabwe in support of projects promoting Resilience to future shocks in particular related to food security. The Resilience Fund would consist of five key elements; a Governance/Decision-Making Body (incl. Government), an Administrative Agent (UNDP), Participating UN Organisations, Implementing Partners and Donors.

Operating on the principles of joint programming, the Resilience Fund would aim to provide more flexible, coordinated and predictable funding to support the achievement of increased national resilience to food and nutrition security shocks – aligning to nationally owned and determined priorities (in particular the ZIM Asset). By offering the possibility of channelling donor contributions through one mechanism, The Resilience Fund would aim to facilitate and streamline donor contributions and align donor reporting. By improving coordination among all stakeholders, the Fund can also provide a forum for policy dialogue, and programmatic coordination and harmonisation.

A Steering Committee or similar entity would govern the Resilience Fund. It would set allocation criteria and makes decisions on resource allocations, and provides strategic direction in line with the relevant strategic development framework. The Steering Committee should be co-chaired by the Government and the UN Resident Coordinator, and include members from relevant government institutions as well as the UN, NGO's and donors. Steering Committee composition should ensure the principles of national ownership, inclusiveness and balanced representation, as well as the need to have a manageable size for effective decision-making. The Steering Committee may be supported by a Steering Committee Support Office which would generally involve: ensuring project/programmes submitted to the Steering Committee have fulfilled the required submissions and review procedures; undertaking a final review of proposals submitted by Participating Organizations. The Support Office should also track the status of the proposals, provide advice to the Steering Committee and follow up on decisions taken by the various Fund structures. The Support Office would be located within the UNDP and will report to the UNDP Country Director as well as to the Resident Coordinator.

Component 2: Enhancing agriculture/horticulture and livestock pest and disease control capacities. (EUR 5.6 million)

The Livestock and agricultural/horticultural sector saw their production drastically reduced in the last decades and Zimbabwe passed from being a net exporter of livestock and agricultural products to becoming a net importer. An intervention to support the country in its efforts to control pests and diseases and improving or putting in place Quality Systems and SPS would improve production and quality; it would help to support a more balanced and broad based production system; reducing at the same time food insecurity at national and household levels and would also make possible to market the products regionally and internationally.

Livestock disease control (Data gathered from Livestock and Meat Advisory Council (LMAC) 2012 annual report presented in May 2013). The Department of Livestock and Veterinary Services (DLVS) has been key in supporting the recovery of the sector. Within this Department the Division of Veterinary Technical Services (DVTS) is working on the field surveillance of animal and zoonotic

diseases and pests, ensuring the adherence by producers to movement regulations for the early detection and control at source of economic and public health importance. In 2012, five outbreaks of Foot and Mouth disease (FMD) were reported in the year but were controlled through vaccination and effective movement controls. The Division is working in declaring Mashonaland provinces and parts of Manicaland which used to be the bulk of the beef export zone in the past, FMD free but in order to achieve this, specific technical surveys need to be carried out to gather the required evidence.

The interventions to support the livestock disease control should focus on:

- Strengthening vaccination campaigns to fight the different diseases affecting cattle (beef and dairy), pig, goats, sheep and poultry and raising awareness campaigns on diseases and health prevention among all stakeholders.
- Extension staff trainings – animal production/health, surveillance e.g. Training of provincial epidemiologists in disease data handling and analysis to provide information to guide disease prevention and control; training of district veterinarians in wildlife diseases and wildlife immobilization to promote one health approach in disease surveillance and control; training of community based Livestock Development Committees members in basic animal husbandry and health to serve as a nucleus of basic animal health knowledge within communities, training of all field staff in animal welfare for mainstreaming in routine activities of the division and farming practices by livestock farmers.
- Database (Livestock census & disease patterns/landscape).
- Studies/Surveys - e.g. livestock census, disease patterns/mapping, tick mapping.
- Public health/Port health – zoonotics.
- Stakeholders in the sector – who they are, roles & responsibilities, working groups & platforms available & where DLVS fits in.
- Policy issues – regulations and legislations: i.e. enforcement of tick control regulations and education; acaricide to control ticks - need for policy to empower Least Developed Countries (LDCs) to manage dipping services; need for policy on zoonotic diseases and review of animal health act in line with changes in industry and acceptance of commodity-based trading, maintenance of cordons for disease control and not trade decisions.
- In service training of veterinary Extension workers in effective extension methods, disease data collection and timely reporting using Short Message Service (SMS) based reporting system in collaboration with cellular network providers.
- Reinforcement of the veterinary movement regulations to control and curb the spread of disease (prevention/contention of outbreaks).
- Specific surveys to be conducted to gather evidence to declare some provinces/areas FMD free, in particular the areas which used to be beef export zones in the past. Support to be given in the certification process, for Zimbabwe to be able to export again to the EU (in cooperation/coordination with Directorate-General for Health and Consumers (DG SANCO)).
- Support to revamp and strengthen the livestock identification and traceability system in Zimbabwe (support to the Livestock Identification Trust (LIT)).
- Quality Systems and Sanitary Standards revised or put in place for the different livestock value chains in order to increase production and quality of the products.

There was a Performance of Veterinary Services (PVS) evaluation in 2009 and there will be an analysis gap conducted in June 2014. The DLVS is preparing a dossier for an (World Organisation for Animal Health) OIE evaluation that might take place in 2015.

Agricultural/Horticultural Pest Control (Data gathered from reports from DG SANCO missions).

The lack of capacity to effectively tackle the different pests has led to a substantial decrease of the production, in particular, of the horticultural sector and has also led to a lower quality of the production. For overall plant health issues, the analytical laboratory services and inspections in production units, warehouses, pack houses etc., fall under the responsibility of the Plant Quarantine Service (PQS) which also acts as the National Plant Protection Organization (NPPO) for Zimbabwe. Monitoring and surveillance of surveys of pests and diseases in the different regions of Zimbabwe falls under the remit of the Plant Protection Section of the Department of Research and Specialist Services (DRSS). There is a good collaboration between the two services.

The horticultural sector's production is exported mainly to the EU, being one of the sectors which is benefiting more from the application of the i-EPA (DFQF), with some of the growers producing specifically for EU companies and markets.

Therefore, the interventions to support the pest control and meeting phytosanitary standards should focus on:

- Strengthening pest control campaigns to fight the most common pests affecting the agricultural/horticultural sector in Zimbabwe and raising public awareness campaigns on pests and pest prevention among all stakeholders in particular growers.
- Training on EU import requirements for border inspectors, posted in all main borders and provision of basic equipment needed to properly carry out the inspections.
- Support the PQS to carry out monitoring surveys throughout Zimbabwe for regulated pests and diseases and enhancing the capacities of PQS as service responsible of issuing phytosanitary certifications and export controls.
- Support to improve the traceability system in Zimbabwe to allow direct accessibility of the inland inspection reports during export certification.
- Enhancing the capacities of PQS as service responsible of issuing phytosanitary certifications and export controls.
- Updating of the inspectors' manual for export to include: Lists of regulated pests present in Zimbabwe that may be associated with the different commodities, import requirements for the different commodities (together with additional declarations), products for which export to EU is regulated, products which are prohibited into EU and pest data sheets.
- Equipment needed as part of the Pre-export inspection system (detection of certain harmful organisms, principally insects relevant for the EU is based on visual examination using stereoscopes; current analytic facilities and identification equipment necessary for bacteriology/mycology, is very basic (main national laboratory for plant health).
- Specific training on diagnostic support in virology; no tests for viruses and viroids are carried out to allow for ultimate identification of the pathogen.
- Specific training on diagnosing the main harmful organisms of relevance for major exports, i.e. citrus.
- Training and reinforcement of evaluation of laboratory work according to international standards which is currently not taking place.
- Training on EU import requirements for additional declarations of specific products to be exported and phytosanitary certificates. Dissemination of the EU Plant Health legislation.
- Support to prepare and disseminate information relevant to regulated harmful organisms for the EU. Technical information for producers to be produced and disseminated.
- Support to draft written work instructions with technical information and guidelines of sampling for visual examination and to widely disseminate among inspectors. Training on export inspections needed in particular to make inspectors familiar with the specific requirements of Directive 2000/29/EC for exports to the EU.
- Support for the establishing of an internal auditing system.
- Support to establish no pest free areas: systems to establish freedom (surveys and general surveillance), phytosanitary measures to maintain freedom, and checks to very freedom maintained.
- Support to the Standard Association of Zimbabwe (SAZ) to revise and put in place Quality Systems and Phytosanitary Standards for the different agricultural/horticultural value chains in order to increase production and quality of the products.

The private sector has had a key role and involvement in the setting up of standards, the Horticultural Promotion Council (HPC) is the major producers' organisation in charge of developing the horticultural industry and promoting good agricultural practice. It provides technical information and marketing of services to growers according to an accreditation system for compliance with specific quality standards required by the markets of destination. HPC has registered members who are producers, exporters and other stakeholders. There is regular communication between HPC and PQS concerning the promotion of good agricultural practices and the follow up of outbreaks. HPC has also cooperated and has regular communication with SAZ and Agricultural Marketing Agency (AMA) for the setting up of standards for the agricultural sector.

Zimbabwe (HPC members) have benefitted from the EU-PIP (Pesticides Initiative Programme).

3.3. Risks and assumptions

Risk/Assumption	Level of Risk	Mitigation Measures
Assumption: Overall economic development supports improvements in the targeted sectors	Medium	None possible
Assumption: Proposed action will trigger more investment in resilience	Low	Proposed action builds extensive knowledge that will encourage more investment
Assumption: Unforeseen external shocks will not prevent implementation	Medium	Proposed action encourages long implementation periods to cushion brief shocks
Assumption: Sufficient resilience expertise is available, some of it in-country	Low	Proposed action uses a learning approach and will build additional expertise.
No other donors participating in the pool funding for Resilience	Medium	UNDP will proceed with only EDF contribution
Cooperation from all stakeholders	Low	All key stakeholders have been consulted and will regularly be consulted and involved in the activities proposed.
Stable political and macroeconomic environment.	Medium	There is not possibility on the project side to apply mitigation measures.
Willingness of relevant Ministries and agencies to fully cooperate and revise policies and processes to become more efficient	Medium	Ministries and agencies have been involved in the identification/designing of the project and the project will guarantee their ownership.

3.4. Cross-cutting issues

Particular attention will be given to gender-related issues and the situation of women due to their significant role in the agricultural sector and in particular recognising their role amongst the most vulnerable section of the population. Traditionally, women in rural area have limited rights and no access rights to communal land; as a result, single women headed families are - with orphan headed families - the most vulnerable. The projects will ensure that a fair percentage of single women headed households are selected in each group of beneficiaries targeted to benefit from the projects. Gender mainstreaming is recognised as a critical element of all future interventions. Female involvement in household decision making is strongly linked with greater household dietary diversity and less distressful coping in the face of the complex crisis. This suggests that resilience programming should consider women as untapped adaptive capacity, rather than only as a vulnerable group, and should seek to strengthen female engagement in productive decisions. Households where women have joint or sole control over household decisions, such as major purchases, are more likely to be resilient to food security shocks.

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

Environmental degradation in the areas that will be targeted for the resilience component is synonymous with non-sustainable coping mechanisms. A diverse set of income sources that are all based on agro-pastoral activities is unlikely to significantly reduce households' vulnerability to food

security shocks. Sound and sustainable agricultural practices and other sustainable natural resource management activities are always an integral part of the EU engagement in the Agricultural sector for livestock, crop production and horticulture.

3.5. Stakeholders

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

Component 1: Resilience: The Action will support appropriate knowledge generation activities that are expected to produce a definition of resilience in the Zimbabwe context and a set of realistic and independent indicators to measure resilience in Zimbabwe. A participative process with key stakeholders would be vital for gaining a common understanding of resilience in the Zimbabwe context. Mercy Corps and TANGO International⁷ have already produced similar work in Southern Somalia and are currently engaged in resilience activities in Zimbabwe. The EU would bring together all relevant players in order to do this assessment, which would include the NGO's, research institute (Zvitambo) Food and Nutrition Security Council, relevant Ministries and Technical departments (Agriculture and Ministry of Livestock) as well as other donors active in the sector USAID, DFID, Danida and the Australian Aid Program (Department of Foreign Affairs and Trade) The EU Delegation and ECHO have been working with a number of stakeholders in the development of the Action Document (Donors, UN agencies, INGO's). These consultations have discussed issues such as targeting, vulnerability analysis, best practice and design of future programmes for Zimbabwe that are better at addressing resilience issues. During a joint EU, ECHO DFID mission that took place in Zimbabwe in March 2014 a wide range of relevant stakeholders in Zimbabwe were consulted in order to start developing the joint strategy and look at how best to incorporate the resilience agenda in both on-going and future programmes.

Component 2: Livestock disease control: Livestock and Meat Advisory Council (LMAC) and its member associations, Department of Livestock and Veterinary Services (DLVS), Agricultural Marketing Authority (AMA), ZimTrade, Standards Association of Zimbabwe (SAZ), Ministry of Industry and Commerce), small scale holders, industry, agribusinesses. **Horticultural pest control:** Horticultural Promotion Council (HPC), ZimTrade, SAZ, smallholders, outgrowers, exporters, industry/agribusinesses, PQS (Plant Quarantine Services)/ Extension Research Services of the Ministry of Agriculture, border inspectors/inspectors, Ministry of Industry and Commerce.

Consultation has taken place with DVLS, AMA, FAO and INGO's currently implementing EU funded projects in the livestock sector. Activities proposed in this Action Document come about as a result of such consultation and recommendation from these projects. Extensive consultation and regular meetings with private sector associations like the LMAC and the Horticultural Promotion Council (HPC) which group main producers, traders and exporters in Zimbabwe. Regular dialogue with PQS on the occasion of one DG SANCO mission provided clear findings and recommendations for support to the PQS and two trainings that followed up the mission. Needs presented by the missions reports have been discussed with PQS and stakeholders from the private sector (growers, traders, exporters)

For both Components 1 and 2 the design of the proposed actions has come about as a process of consultation during the implementation of on-going projects. Consultations with DVLS and Ministry of agriculture regularly happen both at the district level during the implementation of projects and at the nation Level through the existing coordination mechanisms in the sectors.

The Implementing partners proposed i.e. UNDP, FAO, International Trade Centre (ITC) have been involved and consulted in the formulation process through regular meetings.

⁷ TANGO International is an International NGO active in food security, livelihoods and resilience.

4. IMPLEMENTATION ISSUES

4.1. Financing agreement

In order to implement this action, it is not foreseen to conclude a financing agreement with the partner country referred to in Article 17 of Annex IV to the Cotonou Agreement.

4.2. Indicative operational implementation period

The indicative operational implementation period of this action, during which the activities described in sections 3.2. and 4.3. will be carried out, is **60 months** from the date of entry into force of the financing agreement or, where none is concluded, from the adoption of this Action Document, subject to modifications to be agreed by the responsible authorising officer in the relevant agreements. The relevant Committee shall be informed of the extension of the operational implementation period within one month of that extension being granted.

4.3. Implementation components and modules

Component 1: Building Resilience of small holder food insecure communities

4.3.1. Grant: direct award (direct management)

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

Three separate grants are foreseen

Grant 1: MERCY CORPS - The objective of this grant is to establish how theories on resilience can be made applicable to Zimbabwe as per Component 1, action 1 in point 3.2.

- Hold a multi-stakeholder workshop to gain a common understanding of resilience for Zimbabwe.
- Carry out a research project in Zimbabwe to provide evidence on the determinants of Resilience to food security shocks.

Grant 2: ZVITAMBO - The objective of this grant is to identify the causes of chronic malnutrition in Zimbabwe as per Component 1 action 2 of point 3.2 above.

Under the grant a study will be undertaken with the purpose to:

- Identify the causes of child stunting and effective preventive interventions
- Identify the causes which limit the effectiveness of food security programming on reducing stunting.
- Study the evidence that food security programs are more effective in reducing stunting when they are integrated with baby-targeted WASH interventions.
- Collect comprehensive data on maternal baseline knowledge and practices

Grant 3: Sustainable Agriculture Trust (SAT) - The objective of this grant is to provide recommendations to improve the implementation of resilience programmes by undertaking a comprehensive evaluation of the Community Areas Management Programme for Indigenous Resources (CAMPFIRE) programme as per Component 1 action 3 of point 3.2 above.

- Ecological & sustainability technical assessment in major CAMPFIRE areas
- Drafting of CAMPFIRE restructuring & business plan
- Support for official proclamation of major CAMPFIRE areas as Communal Conservation Areas (under Parks Act)

All three grants above follow the same implementation modalities as below:

(b) Justification of a direct grant

Under the responsibility of the authorising officer by delegation, the recourse to an award of a grant without a call for proposals is justified because the country being in a crisis situation referred to in Article 190(2) RAP

- (c) Eligibility conditions

NA

- (c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

- (d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 90%.

The maximum possible rate of co-financing may be up to 100 % in accordance with Articles 192 of the Financial Regulation and 109 of the Financial Regulation of the 10th EDF if full funding is essential for the action to be carried out. The essentiality of full funding will be justified by the responsible authorising officer in the award decision, in respect of the principles of equal treatment and sound financial management.

- (e) Indicative trimester to contract the potential direct grant beneficiary

3rd trimester 2014

4.3.2. Indirect management with an international organisation

UNDP - A part of this action with the objective of decreasing vulnerability and improving resilience of the rural small-holders' communities vulnerable to external shocks (as per component 1 action 4 of point 3.2 above), may be implemented in indirect management with the UNDP in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation is justified because of the UNDP's long experience in resilience building, preparedness and prevention actions. The UNDP traditionally supports countries to come up with the DRR (Disaster risk reduction) plans and setting-up disaster response strategies; it helps as well communities on resilience building, supporting strategies of livelihood diversification.

The UNDP will manage a fund for a resilience programme that would allow multi-year, flexible funding; DFID has indicated it may contribute to such a fund.

The entrusted entity is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of the Annex to Regulation (EU) No 567/2014. The responsible authorising officer of the Commission deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the entity can be entrusted with budget-implementation tasks under indirect management.

Component 2: Enhancing agriculture/horticulture & livestock pest and disease control capacities

4.3.3. Indirect management with an international organisation

A part of this action with the objective of enhancing agriculture/horticulture pest and livestock disease control capacities (as per component 2 action 1 of point 3.2 above), may be implemented in indirect management with the FAO in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation is justified because justified because FAO expertise on livestock and agricultural interventions in the country and the FAO is already implementing a EU funded project on livestock and the activities proposed in this Action Fiche are a continuation of the activities already on going.

If negotiations with the above-mentioned entrusted entity fail, a part of this action may be implemented in indirect management with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The implementation by this alternative entrusted entity would be justified because GIZ has a strong expertise on the areas of intervention: livestock and agricultural sectors in Zimbabwe. GIZ has implemented similar/related projects in Zimbabwe.

The entrusted entity is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of the Annex to Regulation (EU) No 567/2014. The responsible authorising officer of the Commission deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the entity can be entrusted with budget-implementation tasks under indirect management.

4.3.4. *Indirect management with an international organisation*

A part of this action with the objective revising and putting in place Quality Systems and Phytosanitary Standards for the different livestock and agricultural/horticultural value chains in order to increase production and the quality of the products (as per component 2 action 2 of point 3.2 above), may be implemented in indirect management with ITC in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation is justified because of ITC's worldwide expertise on standards. Furthermore, ITC is already implementing an EU funded project "Trade and Private Sector Development Project", where there is a specific component on Standards and support to the Standards Association of Zimbabwe; the proposed activities would be complimentary to the activities on the current project.

If negotiations with the above-mentioned entrusted entity fail, a part of this action may be implemented in indirect management with GIZ. The implementation by this alternative entrusted entity would be justified because GIZ has a strong expertise on the areas of intervention: livestock and agricultural sectors in Zimbabwe. GIZ has implemented similar/related projects in Zimbabwe

The entrusted entity is currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of the Annex to Regulation (EU) No 567/2014. The responsible authorising officer of the Commission deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the entity can be entrusted with budget-implementation tasks under indirect management.

4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act shall apply.

4.5 Indicative budget

Zimbabwe Agriculture-based economic recovery Module	Amount in EUR
Component 1 - Resilience of small holder food insecure communities	7 200 000
4.3.1. Direct grant. Resilience assessments in Zimbabwe: (direct centralised)	500 000
4.3.2. Direct grant. Understanding the causalities of chronic malnutrition (direct centralised)	350 000
4.3.3. Direct grant. Comprehensive evaluation of CAMPFIRE (direct centralised)	350 000
4.3.4. Indirect management with an UN Agency: UNDP – Modelling and implementing effective support to better resilience.	6 000 000
Component 2 – Enhancing agriculture/horticulture pest and livestock disease control capacities	5 600 000
4.3.5. Indirect management with an UN Agency: FAO - enhancing agriculture/horticulture and livestock pest and disease control capacities	3 000 000
4.3.6. Indirect management with an UN Agency: ITC - revising and putting in place Quality Systems and Phytosanitary Standards	2 600 000
Evaluation and audit	150 000
Communication and visibility	50 000
Contingencies	0
Total	13 000 000

4.6. Performance monitoring

The overall follow up of the Project will be ensured by EU Delegation staff through regular field visits, bilateral meetings, review of reports and coordination meetings. Baseline surveys will be incorporated in grant contracts. Progress will be assessed against indicators identified in projects' logical framework.

The EU is also regularly carrying out Results Oriented Monitoring (ROM) via independent consultants, starting from the sixth month of project activities, which will be finalised at the latest 6 months before the end of the operational implementation phase.

An overall project comprehensive monitoring framework is planned to be developed by UNDP for Component 1 – fund for resilience at the beginning of the project implementation. The framework will encompass regular meetings with stakeholders to check on progress against log frames and work plans, participation of UNDP officers in the various activities to be implemented by implementing partners, field visits to specifically monitor beneficiary selection, input distribution and performance of inputs provided.

Component 1 and 2: For each grant/contract under these components the regular monitoring systems will be in place, log-frames, project monitoring by the delegation, and ROM. Component 2: FAO/ITC M&E will be used.

4.7. Evaluation and audit

A EUR 100 000 budget has been set aside for the evaluation of the overall performance of the project (mid-term or/and ex-ante), in order to assess its progress and performance as a whole, and its alignment with the EU Food Security Strategy and government priorities. This will allow for periodic monitoring of the progress of the individual components by external assessors.

EUR 50 000 has been budgeted for audit.

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Mid-term and/or ex ante evaluation	Services	2	4th trimester 2014 and 4nd trimester 2016
Audit	Services	2	1st trimester 2017 and 1st trimester 2018

4.8. Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated before the start of implementation and supported with the budget indicated in section 4.5 above.

The measures shall be implemented either (a) by the Commission, and/or (b) by the partner country, contractors, grant beneficiaries and entrusted entities. Appropriate contractual obligations shall be included in, respectively, financing agreements, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

In addition the Commission will implement additional and specific communication and visibility activities for the amount of EUR 50 000.

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Events organisation	Services	2	4 th 2014
Visibility materials	Supplies	1	3 rd 2015