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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 1**

to the Commission Implementing Decision on the financing of the annual action plan in favour of the Republic of Zambia for 2022 part 2

**Action Document for Green Partnership and Investment Programme along the Agriculture, Forestry, Biodiversity, Water and Climate Nexus**

**ANNUAL PLAN**

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

**1 SYNOPSIS**

**1.1 Action Summary Table**

<p><b>1. Title</b></p> <p><b>CRIS/OPSYS business reference</b></p> <p><b>Basic Act</b></p>	<p>Green Partnership and Investment Programme along the Agriculture, Forestry, Biodiversity, Water and Climate Nexus</p> <p>OPSYS number: ACT-61218</p> <p>Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe).</p>
<p><b>2. Team Europe Initiative</b></p>	<p>The Action may potentially contribute to a TEI, if a TEI materialises in the future.</p>
<p><b>3. Zone benefiting from the action</b></p>	<p>The action shall be carried out in Zambia.</p>
<p><b>4. Programming document</b></p>	<p>Multi-Annual Indicative Programme (MIP) 2021-2027 between the Republic of Zambia and the European Union.</p>
<p><b>5. Link with relevant MIP(s) objectives / expected results</b></p>	<p>Priority area 1 of the MIP “Green partnerships for sustainable recovery, growth and decent jobs”.</p> <p>Specific objective 1.1: To promote and invest in the green recovery and sustainable growth along the agriculture-forestry-biodiversity-water and climate nexus.</p> <ul style="list-style-type: none"> <li>• Result 1.1 – Participation of subsistence and smallholder farmers, including women farmers and youth, in market-integrated value chains is increased and support the transition to greener and more sustainable diversified agro-food systems.</li> <li>• Result 1.2 – Integrated, participatory and sustainable rural development practices are increasingly applied, enhancing resilience of ecosystems along the agriculture-forestry-biodiversity-water and climate nexus and improving people’s livelihoods.</li> <li>• Result 1.3 – Communities, living adjacent to and within conservation and game management areas, have increasing income opportunities and apply sustainable resource management practices, stabilising the biodiversity within existing protected area.</li> </ul>
<p><b>PRIORITY AREAS AND SECTOR INFORMATION</b></p>	
<p><b>6. Priority Area(s), sectors</b></p>	<p>DAC 310 - Agriculture, Forestry, Fishing</p> <p>DAC 410 - General Environment Protection</p>

<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: SDG 1 (no poverty) Other significant SDGs: <ul style="list-style-type: none"> <li>• SDG 2 (zero hunger)</li> <li>• SDG 5 (gender equality)</li> <li>• SDG 6 (clean water and sanitation)</li> <li>• SDG 8 (decent work and economic growth)</li> <li>• SDG 10 (reduce inequality)</li> <li>• SDG 12 (responsible consumption and production)</li> <li>• SDG 13 (climate action)</li> <li>• SDG 15 (life on land)</li> <li>• SDG 17 (partnerships to achieve the goal)</li> </ul>			
<b>8 a) DAC code(s)</b>	DAC code: 14015: water conservation – 24 % DAC code 31120: agriculture development – 27 % DAC code 31220: forest development – 25 % DAC code 41030: biodiversity – 24 %			
<b>8 b) Main Delivery Channel</b>	2000 – Non-governmental Organisation and Civil Society			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women’s and girl’s empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Biological diversity @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Combat desertification @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

11. Internal markers and Tags:	Policy objectives	Not targeted	Significant objective	Principal objective
	Digitalisation @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	digital connectivity digital governance digital entrepreneurship digital skills/literacy digital services	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	/
	Connectivity @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	digital connectivity energy transport health education and research	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	/
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities @ (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	COVID-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**BUDGET INFORMATION**

<b>12. Amounts concerned</b>	<p>Budget line(s) (article, item): BGUE-B2022-14.020122-C1-INTPA</p> <p>Total estimated cost: EUR 44 800 000</p> <p>Total amount of EU budget contribution: EUR 37 800 000 (including contribution from Sweden).</p> <p>This Action is co-financed in joint co-financing by:</p> <p>Federal Ministry of Economic Cooperation and Development (BMZ) for an amount of EUR 6 000 000<sup>1</sup>.</p> <p>World Food Programme for an amount of EUR 1 000 000</p> <p>The Commission will be entrusted with the responsibility of managing the contribution for an indicative amount of EUR 7 500 000<sup>2</sup> transferred by Sweden<sup>3</sup> after the signature of the corresponding transfer agreement, in accordance with the procedures applicable to the EU budget.</p> <p>The action is co-financed in parallel financing by:</p> <p>Federal Ministry of Economic Cooperation and Development (BMZ) for an indicative amount of EUR 5 000 000<sup>4</sup>.</p> <p>Ireland for an indicative amount of EUR 250 000 annually<sup>5</sup>.</p>
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<sup>1</sup> BMZ's contribution is scheduled, subject to German parliamentary approval.

<sup>2</sup> Of which EUR 7 150 000 will be made available for the project and EUR 350 000 will be for administrative fees.

<sup>3</sup> After favourable financing decision and subject to Swedish parliamentary appropriation, presumably during Q4/2022.

<sup>4</sup> Subject to BMZ approval

<sup>5</sup> Ireland plans to design a programme on sustainable food systems with a view to implementation from 2023/24.

	<p>The Czech Republic for an indicative amount of EUR 1 500 000<sup>6</sup>.</p> <p>Kreditanstalt für Wiederaufbau (KfW) for an indicative amount of EUR 10 000 000.</p> <p>Possible European Financial Development Institutions (EFDI) could be associated to the action: the Netherlands Development Finance Company (FMO), Dutch Fund for Climate Development (DFCD), Agence Française de Développement (AFD), the Deutsche Entwicklungsgesellschaft (DEG), Promotion et Participation pour la Coopération Économique (PROPARCO), and the Finnish Fund for Industrial Cooperation (Finnfund).</p>
<b>MANAGEMENT AND IMPLEMENTATION</b>	
<b>13. Type of financing</b>	<p><b>Direct management</b> through:</p> <ul style="list-style-type: none"> <li>- Grants</li> <li>- Procurement</li> </ul> <p><b>Indirect management</b> with the entities to be selected in accordance with the criteria set out in section 4.4.3 and 4.4.4.</p> <p>The Action may be complemented by budgetary guarantee(s) under the EFSD+, as set out in section 4.4.5</p>

## 1.2 Summary of the Action

<p>The action intends to promote and invest in the green recovery and sustainable growth along the Zambian part of the Greater Kavango Zambezi (KAZA) Trans-Frontier Conservation Area (TFCA)<sup>7</sup>. Its geographic focus will stretch from the Greater Kafue ecosystem south-west through the Luangwa – Nyika corridors of Central and Eastern Zambia (thereafter the “landscape”).</p> <p>The action will:</p> <ol style="list-style-type: none"> <li>1) Enhance resilience of ecosystems and improve people’s livelihoods based on landscape approaches along the agriculture-forestry-biodiversity-water and climate nexus.</li> <li>2) Increase participation of smallholder farmers, including women and youth farmers, in market-integrated environmentally sustainable, resilient, low carbon, circular and nutrition sensitive value chains.</li> <li>3) Increase income opportunities through applied sustainable resource management practices by local communities.</li> </ol> <p>The action will promote community-based management of natural resources and support benefit-sharing mechanisms for local communities, in particular for women and youth. It will further contribute to Zambia’s climate change adaptation and mitigation targets, enshrined in the country’s National Determined Contribution (NDC)<sup>8</sup>, in particular in terms of sustainable agriculture and sustainable forest management. In addition, the action will contribute to the protection of water catchment areas and the conservation of wildlife, hereby supporting Zambia’s commitments to the Convention on Biological Diversity<sup>9</sup>.</p> <p>The action will contribute to result 1.1, result 1.2 and result 1.3 of the MIP 2021-2027<sup>10</sup>, Priority Area 1 “Green partnerships for sustainable recovery, growth and decent jobs”. It will further contribute to the Youth Action Plan in EU External Action (2022-2027)<sup>11</sup>.</p> <p>The action will also contribute to the Global Gateway, especially under the headings “accelerating the green transition”, “accelerating the digital transition” and “accelerating sustainable growth and decent job creation and supporting sustainable financing for growth”. It is in line with the Joint European Strategy (JES) for Development</p>
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<sup>6</sup> The Czech Development Agency will launch in 2023 a new multi-year project targeting small- and medium-sized farmers in the Southern Province of Zambia

<sup>7</sup> See map in Appendix 2.

<sup>8</sup> Zambia’s NDC sectors include sustainable agriculture, sustainable forest management, renewable energy and energy efficiency, transport, liquid waste and coal. Zambia First NDC (Updated Submission), 30/07/2021.

<sup>9</sup> <https://www.cbd.int/>

<sup>10</sup> [https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9057-zambia-annex\\_en.pdf](https://international-partnerships.ec.europa.eu/system/files/2022-01/mip-2021-c2021-9057-zambia-annex_en.pdf)

<sup>11</sup> [https://ec.europa.eu/commission/presscorner/detail/en/qanda\\_22\\_5882](https://ec.europa.eu/commission/presscorner/detail/en/qanda_22_5882)

Cooperation with Zambia for the period 2021-2027 currently being finalised between the EU Delegation and EU MS to materialise the “Team Europe” approach.

The action is also aligned with the EU’s commitment under the European Consensus on Development<sup>12</sup> and Alliances for Sustainable Growth and Jobs<sup>13</sup>. It is in line with the top political priorities of the European Commission, notably 1) the “European Green Deal” and 2) “An economy that works for the people”<sup>14</sup>. Relevant strategies related to the European Green Deal include in particular the Farm to Fork Strategy<sup>15</sup>, the Biodiversity Strategy for 2030<sup>16</sup>, the New Forestry Strategy for 2030<sup>17</sup>, the Climate Adaptation Strategy<sup>18</sup>, the Soil Strategy for 2030<sup>19</sup> and the Circular Economy Action Plan 2030<sup>20</sup>. The action is also consistent with the European Commission Communication (2019)<sup>21</sup> on stepping up EU action to protect and restore the world’s forest. The action further supports the green recovery and the partnership for green transition for sustainable growth and jobs under the EU Communication Towards a Comprehensive Strategy with Africa (2020)<sup>22</sup>.

The action will contribute to SDG 1 – No Poverty, SDG 2 – No Hunger, SDG5 – Gender Equality and Women Empowerment, SDG 6 – Clean Water and Sanitation and Sustainable Management of Water, SDG 8 – Decent Work and Economic Growth, SDG 10 – Reducing Inequalities, SDG 12 – Sustainable Consumption and Production, SDG 13 – Climate Action, SDG 15 – Life on Land and SDG 17 – Partnership for the Goals.

The action will further promote social and economic rights of women, contributing to the objectives of the EU Gender Action Plan III (2021-2025)<sup>23</sup> and Zambia Country Level Implementation Plan. It will further contribute to the recently adopted Youth Action Plan for EU external action (2022-2027).

Close complementary will be established with the action “Green Economy Promotion and Diversification (GEPD) Programme” (Annex II AAP 2022 - part 2), for diversification of the economy and creating green and decent jobs.

## 2 RATIONALE

### 2.1 Context

#### **General country context**

Zambia is a large, land connected and strategically located country on the central plateau of the Southern African region. Its population is estimated at 17.9 million, growing rapidly at 2.9% per year, with a low population density (13 inhabitants/sqkm). With 53.4% of its population under 18, Zambia is one of the world’s youngest populations by median age. Although one of the most urbanised countries in Sub-Saharan Africa (SSA), the majority of people (62%) lives in rural areas, depending on subsistence agriculture for their livelihoods.

Zambia’s presidential and parliamentary elections of August 2021 were followed by a smooth transition of power, serving as an example of a functioning democracy in the region.

Zambia achieved lower middle-income (LMIC) status in 2011 and is striving to transform into a prosperous middle-income nation by 2030<sup>24</sup>. However, Zambia continues to struggle to translate economic growth to development, despite impressive growth rates in the last decade. The country displays very high income inequalities, with over 50% of the population living below the internationally agreed upon \$1.90 poverty line. Poverty remains widespread and inequality between urban and rural areas is high.

The Government of Republic of Zambia (GRZ) considers its NDC<sup>25</sup> as a roadmap for a low carbon and climate resilient development. According to Zambia’s NDCs, the country committed itself to reduce carbon dioxide

<sup>12</sup> [https://international-partnerships.ec.europa.eu/policies/european-development-policy/european-consensus-development\\_en](https://international-partnerships.ec.europa.eu/policies/european-development-policy/european-consensus-development_en)

<sup>13</sup> [https://international-partnerships.ec.europa.eu/policies/sustainable-growth-and-jobs\\_en](https://international-partnerships.ec.europa.eu/policies/sustainable-growth-and-jobs_en)

<sup>14</sup> [https://ec.europa.eu/info/strategy/priorities-2019-2024\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024_en)

<sup>15</sup> [https://food.ec.europa.eu/horizontal-topics/farm-fork-strategy\\_en](https://food.ec.europa.eu/horizontal-topics/farm-fork-strategy_en)

<sup>16</sup> [https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030\\_en](https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en)

<sup>17</sup> [https://environment.ec.europa.eu/strategy/forest-strategy\\_en](https://environment.ec.europa.eu/strategy/forest-strategy_en)

<sup>18</sup> [https://climate.ec.europa.eu/eu-action/adaptation-climate-change/eu-adaptation-strategy\\_en](https://climate.ec.europa.eu/eu-action/adaptation-climate-change/eu-adaptation-strategy_en)

<sup>19</sup> [https://environment.ec.europa.eu/topics/soil-and-land/soil-strategy\\_en](https://environment.ec.europa.eu/topics/soil-and-land/soil-strategy_en)

<sup>20</sup> [https://environment.ec.europa.eu/strategy/circular-economy-action-plan\\_en](https://environment.ec.europa.eu/strategy/circular-economy-action-plan_en)

<sup>21</sup> [https://ec.europa.eu/info/publications/eu-communication-2019-stepping-eu-action-protect-and-restore-worlds-forests\\_en](https://ec.europa.eu/info/publications/eu-communication-2019-stepping-eu-action-protect-and-restore-worlds-forests_en)

<sup>22</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020JC0004&from=EN>

<sup>23</sup> [https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final\\_en.pdf](https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final_en.pdf)

<sup>24</sup> National Vision 2030.

<sup>25</sup> Zambia’s NDC sectors include sustainable agriculture, sustainable forest management, renewable energy and energy efficiency, transport, liquid waste and coal. [Zambia First NDC \(Updated Submission\), 30/07/2021](#).

emission by 47% (38 MtCO<sub>2</sub>eq) with substantial international support by 2030<sup>26</sup>. A National Adaptation Plan (NAP) is under preparation. GRZ has identified mitigation benefits from adaptation actions in climate smart agriculture and sustainable forest management, as well as from adaptation actions in water protection and conservation and wildlife. Zambia's NDCs call for an integrated landscape approach at watershed level, with investments in protection of water catchment areas, as well as in water capture, storage and transfer, linked to multi-use purposes in watersheds. Zambia's NDC further envisages the development of a National Wildlife Adaptation Strategy, with supportive policies to involve local community, civil society and private sector.

The country's leadership on climate change has been internationally recognised with Zambia's appointment as Chair of the African Group of Negotiators (AGN) at COP26 on Climate Change for the 2022-2024 term. At COP 26, Zambia signed the leaders' declaration on forest and land use, the global coal to clean power transition statement and the statement on international public support for the clean energy transition. The country also joined the EU-USA's joint initiative for the global methane pledge, the global green grids' initiative and signed the one sun declaration. Zambia is among the first partner countries, with which the EU is in the process of finalising a memorandum of understanding (MoU) for an EU-Zambia forest partnership.

The 8<sup>th</sup> National Development Plan (8NDP) was approved by cabinet in April 2022<sup>27</sup>. It emphasises an inclusive, multi-sectoral, integrated development approach for economic transformation and job creation through:

1) Improved efficiency and competitiveness of the economy.

Environmental sustainability, anchored on sustainable resilient ecosystems and natural resources' management, including gains from carbon credit revenues. In the 8NDP, the government is committed to increase production and productivity in agriculture, by easing of restrictions on exports of agriculture commodities, promoting agriculture mechanisation, support value addition, storage and logistics, and facilitating access to finance.

Further, support to sustainable investments in water resources development and management is planned to meet the rising demand and productive use of water, while safeguarding water security. Targets are set for decreasing the deforestation rate, which currently stands at 120,000 ha/year of forest cover, by 2026 and to ban unsustainable production and consumption of charcoal by 2025.

### **The landscape**

The landscape is at the centre of a vast regional area and plays a crucial role in sustaining Africa's biodiversity and globally significant species<sup>28</sup>. It is home to large freshwater catchments, miombo woodlands and forest areas, national parks, game management and protected areas. The action will focus on two main areas of the landscape:

1) the Greater Kafue area, located in south-western part of the landscape.

2) the Lower Zambezi-South Luangwa-Luambe-North Luangwa-part of the Nyika Plateau area (LZNP to NP) located in eastern to north-eastern part of the landscape.

The Greater Kafue area includes two designated Ramsar sites<sup>29</sup> and the Kafue National Park (KNP), which connects in the south-east to wildlife corridors to Angola, Namibia, Botswana and Zimbabwe. The Kafue river is the longest lying entirely in Zambia and more than half of the country's population live in its catchment area<sup>30</sup>. Main land use types range, apart from biodiversity conservation, from agriculture and forestry to mining and industrial activities. The LZNP to NP area include key wildlife corridors connecting to Zimbabwe, Mozambique and Malawi. The Luangwa river is one of the major tributaries of the Zambezi river. Around 50% of the total catchment are protected areas and about 1.8 million people live in the catchment. Main land use types range from agriculture in the highland plateau areas, to biodiversity conservation, fishing, hunting and tourism-related activities in the valley and along the escarpments.

### **Land and natural resources**

The first Zambia's Land Policy (2021) marked an important milestone for improvement of land administration and management of land rights of the country's dual land tenure system (customary and state land). Its implementation plan is lagging behind with unclear coordination mechanisms, roles and responsibilities. A multi-stakeholder dialogue on national lands' policy implementation plan intends to achieve more clarity on stakeholders' coordination and priorities for implementation. Related challenges, such as land titling, land

<sup>26</sup> Substantial international support means adequate international resources, both bilateral and multilateral support estimated at USD \$ 35 Billion. [Zambia First NDC \(Updated Submission\), 30/07/2021](#)

<sup>27</sup> It is expected that the 8NDP will be submitted for adoption by the National Assembly in mid-June 2022

<sup>28</sup> The landscape is home to some 3,000 plant species, including 100 endemics, 600 bird species and 130 types of reptiles. The region also sustains some 200 mammal species, including those that requires ample room to roam, such as lions, cheetahs, plains zebras, wildebeest, buffaloes, African wild dogs and the continent's largest contiguous population of elephants. Nearly half of Africa's endangered elephant population resides in the KAZA region.

<sup>29</sup> These are the Kafue Flats and the Lukanga Swamp.

<sup>30</sup> GFA Consulting Group Report (2019)

encroachment, displacement of people and allocation of land are yet to be fully addressed. GRZ recognises the importance of natural resources as capital assets for the wealth and the sustainable development of the country. Sectoral natural resources policies support community based natural resources management (CBNRM) and benefit-sharing for local communities; however, these are not effectively in place.

### **Agriculture**

The Zambian agricultural production comprises crops such as maize, sorghum, millet, and cassava. Exports are driven by sugar, soybeans, coffee, groundnuts, rice, and cotton as well as horticultural produces. Smallholder farmers produce 85% of the food crops. The agriculture sector is characterised by low productivity, limited mechanisation and is largely rainfall dependent. The total budgetary allocation to the agricultural sector for 2022 increased to ZMW 8 067 billion, compared to ZMW 7 992 billion in the 2021 budget<sup>31</sup>. The current farmers input supply package (FISP) falls short on effective targeting and equitable treatment of beneficiaries<sup>32</sup>. GRZ's over-sized commitments of resources to FISP and the Food Reserve Agency (FRA) severely limit the government's capacity to invest in growth and jobs.

The main challenges to ensure sustainable food systems are:

- 1) Low participation of the productive age group (youths).
- 2) High rural poverty levels (76%).
- 3) Low agriculture production diversification due to maize-centric policies.
- 4) Malnutrition remains a problem with 35% of children being stunted.
- 5) Deforestation is driven by agricultural land expansion, charcoal production and timber extraction, threatening biodiversity and compromising the country's climate change adaptation and mitigation potential<sup>33</sup>.

### **Nutrition**

Despite progress over the last years, supported by the largest multi-sectoral and multi-donor and multi-agency programme in Zambia, "First 1000 Most Critical Days Programme (MCDP) II (Scaling up Nutrition – Phase II (SUN II Programme)<sup>34</sup>", chronic malnutrition and micronutrient deficiencies remain widespread. Currently 53% of households would not be able to afford nutritious diets. Given the high rates of non-affordability, households will prioritise meeting basic food needs, over meeting micronutrient needs, to prevent hunger. Most households live at least partly from agriculture. Therefore, diversifying homestead, smallholder and commercial agricultural production with nutritious crops, small livestock and fish farming, in a more integrated approach, would improve diversity and hence quality of nutrient intake and incomes<sup>35</sup>.

### **Water resources management**

Water accounts for 1% of the country surface area. Climate change is projected to reduce water availability by about 13% by 2100<sup>36</sup>. The vulnerability of catchment areas and watersheds has increased, due to frequent and extreme climate events and the cumulative demands of a rapidly growing population for agriculture irrigation, hydropower and household use. These factors have contributed to catchment degradation, with negative impacts on the resilience of ecosystems and access to water for local economic activities. Lack of statutory instruments in water resources management have resulted in weak structures for systematic monitoring of water abstraction. Further, local overuse of resources, such as for large scale irrigation by commercial farmers, has caused conflicts among water users. The recent National Water Resource Strategy and Plan (March 2022) aims to achieve a more equitable and sustainable utilization of water resources.

### **Forest and woodlands**

The National Forestry Policy (2015), the reducing emissions from deforestation and forest degradation in developing countries (REDD+) strategy (2015) and the National Investment Plan for REDD (2018 – 2022) promote sustainable forest management. Likewise, the role of land use, land-use change and forestry (LULUCF) activities in the mitigation of climate change has long been recognised, including in Zambia. 60% of rural households depend on forests. Forest goods contribute approximately 20% to rural household incomes. Forests and woodlands provide 80% of energy needs in the form of firewood and charcoal. Zambia has still extensive forest cover, estimated at 44.8 million ha, representing 61% of the country's land surface area<sup>37</sup>. However, human activities significantly reduce forest cover at an annual rate estimated at about 276 000 ha per year<sup>38</sup>. As a result, the ecosystem services of forests and woodlands, including the maintenance of soil quality, control of erosion,

<sup>31</sup> IAPRI, Agricultural Status Report, 2021.

<sup>32</sup> 8NDP

<sup>33</sup> Rapid Food Systems Assessment – EU-FAO-CIRAD (2021)

<sup>34</sup> MCDP II - supports the scale up of package of nutrition-specific and nutrition-sensitive interventions.

<sup>35</sup> Zambia Fill the Nutrient Gap Assessment, WFP (2021)

<sup>36</sup> Zambia's Third National Communication to the United Nations Framework Convention on Climate Change (2020)

<sup>37</sup> FAO Forest Resource Assessment (2020)

<sup>38</sup> Zambia NDC (2021)

provision of organic materials, generation of conducive microclimate, conservation of biodiversity and carbon sequestration have been increasingly negatively affected. Wood harvesting occurs mainly through large concessions, operated by foreign timber companies, with limited sustainable investments in local economies. Forest value chains are not sufficiently developed for the inclusion of micro, small and medium enterprises (MSME), cooperatives or community-based enterprises.

### **Biodiversity and Wildlife**

Zambia has abundant biodiverse ecosystems and wildlife. Over 30% of Zambia's land is managed in protected areas (PAs).<sup>39</sup> Climate change has negatively impacted biodiversity of ecosystems and wildlife. The quality of fodder on which wildlife depends for its survival has decreased, causing habitat change and loss. This has led to migrations, including towards human settlements, which in turn increase human-wildlife conflicts. The Wildlife Act (2015) established the Department of National Parks and Wildlife (DNPW) to improve wildlife governance. The national parks and wildlife policy (2018) promotes biodiversity conservation, with the aim to transform wildlife into an economic asset for national economic development through promotion of nature-based tourism and increased local community participation in wildlife management.

### **Gender**

Gender inequality is high in Zambia. The 2020 Human Development Index statistical report shows that gender inequality remains a major challenge, Zambia ranking 137 out of 167 countries, highlighting low representation of women in parliament (18 %) and other positions of power, low level of education, compared to their male counterparts and a critical level of maternal mortality, as well as adolescent pregnancies<sup>40</sup>. The country has a high incidence of gender based violence with more than one-third (36%) of women aged 15-49 having experienced physical violence at least once since age 15 and 14% having experienced sexual violence<sup>41</sup>. According to the 2018 Labour Force Survey, men dominate employment, both in the formal and informal sectors. In the formal sector, men account for 62% and women 38%. In the agriculture sector, this gender gap increases significantly, with women making up less than one fifth (17.7%) of people in formal employment. Women have also less access to financial services than men, figuring at 59% and 64% respectively.

### **Young People**

Zambia is a country of young people, with 83% of the population under the age of 35. The estimated median age of 17.6 years (2020) is one of the lowest in the region and globally. Youth unemployment rate stands at 19.9% (17.6% for male and 22.7% for female), while the private sector faces challenges to find and recruit skilled workers. The GRZ has put in place a national youth policy, which provides for strategies and programmes for youth participation in the development agenda.

### **Access to Finance**

The financial system in Zambia is relatively underdeveloped. The country's commercial banks dominate the financial services industry, which offer low-risk and high-value services to only a limited number of customers<sup>42</sup>. Non-banking financial institutions (NBFIs), such as microfinance institutions (MFIs), are also active, but focus on smaller loans, predominately to micro-businesses and micro, small and medium size enterprises (MSMEs), which are rated as more risky. While these MFIs provide support to rural communities at times, they are often focused on urban and peri-urban areas, creating a supply gap for farmers and less formal agricultural MSMEs. The majority of farmers use informal services, such as informal rotating savings schemes, community organisations or informal credit providers to access financial products.<sup>43</sup> Access and usage of digital finance in Zambia has been increasing significantly since 2015, with banks, third-party providers, and telecommunication companies offering digital services. In May 2022, an IT service provider from Poland signed a MoU to make Zambia Post fit for the digital age, including for online banking and financial services.

## **2.2 Problem Analysis**

### **The Zambian part of the Greater KAZA TFCA – a significant landscape at risk**

The landscape's ecosystems are increasingly coming under pressure, due to resource conflicts, land encroachment, poaching, pollution, overexploitation of resources, deforestation, habitat degradation, climate change and a lack of environmental education. Insufficient investments in the management of national parks and protected areas have significantly contributed to loss of biodiversity and habitats. Weak wildlife management and law enforcement and increased vulnerability in human-wildlife interaction have reduced the economic value of protected areas and natural heritage sites. In this multi-land use and multi-stakeholder landscape, peoples' livelihoods, commercial

<sup>39</sup> Zambia has 20 National Parks, 36 Game Management Area (GMAs), 8 Ramsar sites<sup>39</sup> and numerous national heritage sites<sup>39</sup>. Zambia endemic species, some of which are classified as rare, endangered or vulnerable. WWF report (2011)

<sup>40</sup> Human Development Index report 2020 United Nations Development Programme.

<sup>41</sup> Zambia Health and Demographic Survey (ZDHS) 2018.

<sup>42</sup> FSDZ, Financial Inclusion Summary Report Zambia 2018.

<sup>43</sup> BoZ, 2019 Credit Market Monitoring Report: Growth of Credit to Households and Implications for Financial Stability.

investments, wildlife populations and nature are intertwined, struggling to strike a balance to achieve sustainable, economically viable and climate smart development and preservation of biodiversity. To maximise the impact and geographical coverage of support in the Landscape, the action will build upon previous and ongoing projects and investments by the EU and its Member States in Zambia, and regional initiatives, such as the NaturAfrica programme, targeting TFCAs in the Southern Africa region.

### **Lack of land use planning**

Even though the need for better and more integrated land use planning is well understood within GRZ authorities and among development partners, there is currently no baseline data available for the two main targeted landscape areas to support more integrated development, following a landscape approach. Lack of strategic assessment of land use planning and management has resulted in poor definition of land for various uses. Due to insufficient technical and funding resources, gaps in available data, issues in land tenure and user rights, outdated or non-existent general management plans for national parks and GMAs, fragmented legislative framework, lack of policy support to higher segments in the value chain (market development, export promotion), the landscape continues to face unsustainable livelihoods, environmental sustainability problems and critical disruptions in landscape connectivity. This calls for a vision towards more integrated economic development and adaptation strategies for preservation, conservation and sustainable use of ecosystems. The recently EU funded DeSIRA/GPGC “Zambia for Agroforestry, Biodiversity and Climate (Z4ABC)” project, implemented by CIFOR, aims to adopt a land use planning with a landscape approach in the LZNP-NP area. The action will draw lessons from and build upon Z4ABC approach.

### **Inadequate benefit-sharing mechanisms**

CBNRM governance institutions are not sufficiently funded, capacitated and empowered to represent their constituencies in securing fair equity from profits made, sustainable use of the conserved biodiversity assets, tourism or other businesses. This often results in disempowerment and demotivation of communities’ involvement in sustainable and economically viable natural resources management. Consequently, this contributes to lack of sustainable investments in natural resource-based enterprises, and related livelihoods. Support to efficient and equitable benefit-sharing mechanisms for local communities is essential to promote their sustainable economic and environmentally sound development.

### **Persisting vulnerability of smallholder farmers (SHFs)**

Through the EU funded ENTERPRISE Zambia Challenge Fund<sup>44</sup>, significant investments have been made to support 20 agri-businesses to date, which positively benefit smallholder farmers at scale. These companies have the potential to deliver improved extension services and access to markets to over 300 000 households across the country. The Challenge Fund is also creating an enabling environment to transform food systems, protect the environment and biodiversity, adopt new climate resilient, low-carbon and green technologies in agricultural production and to secure availability of nutritious food. A positive trend is noted that buyers are increasingly competing for SHF’s produce; hence, it is essential that SHF are sufficiently empowered to negotiate a better price.

The MCDP II - Scaling up Nutrition- Phase II (SUN II) Programme<sup>45</sup> implements nutrition-specific and nutrition-sensitive interventions. Community-led actions, aimed at ensuring all-year-round availability of nutritious foods (e.g. promotion of vegetable, legumes, poultry and fish farming), proved successful in strengthening households’ incomes. Over 1 203 lead farmers established 1 000 community gardens across 13 districts. 38 757 follower farmers are growing diverse and nutritious vegetables and legumes. With SUN II support, high nutritive value non-wood forest products in 8 districts have been identified for promotion, production, preparation and consumption. Access to community savings and loans groups to provide guarantees for input loans and leasing, has demonstrated to have eased the SHFs’ financial situation when most vulnerable. However, the establishment of formal market linkages are yet to materialise.

In less accessible areas, SHFs are still suffering from severe constraints in terms of access to both, inputs and offtake markets. Many SHFs appear to be unable to significantly and sustainably improve their livelihoods, due to persistent financial constraints at the beginning of the cropping season. Compounded by a lack of know-how and limited access to the latest agricultural technological developments and innovations, their ability to embark on sustainable agriculture is limited. Another disadvantage is that hardly any value addition is practiced at farm level. Much of the produce is generally purchased in a dried, but otherwise not in any way processed, form.

In the landscape, the following investments will be made to support the scaling up of: 1) climate smart technologies, 2) innovation in production and marketing of healthy and diverse crops, biofortified seeds, fisheries and livestock for improved household nutrition and food security and 3) access to markets.

### **Limited market integration of local communities**

<sup>44</sup> 11 EDF “Support to sustainable commercialisation of smallholder farmers in Zambia”.

<sup>45</sup> SUN II Programme is being funded by FCDO, EU, Sweden, Germany and Ireland.

The informal and fragmented nature of the agriculture sector has made it challenging for SHFs to gain access to larger, more formal markets. This has negatively impacted the ability to attract financial investments. Zambia's agriculture sector is predominantly based on sparsely populated rural areas, characterised by poor infrastructure, making it difficult and expensive for SHFs to access markets, suppliers and traditional sources of financing that are often based in highly populated urban areas<sup>46</sup>. Marketing agricultural produce therefore requires robust market linkages to minimise logistical and marketing costs. The same applies to access to markets for non-wood forest products, conservation and ecosystem products and services.

### **Declining resilience of ecosystems**

The depletion of Zambia's natural resources perpetrates the fragility and vulnerability of rural livelihoods and food insecurity. There is an untapped potential to develop sustainable value chains for wildlife and forest products and services, domestic wood industry, eco-tourism, and related value additions. Improvements in water resources management are urgently needed to balance the competing demands and conflicting needs of all range of water users.

### **Youth and women are disadvantaged**

Culturally defined gender roles and responsibilities underpin differences in resource use. Men and women differ in their perception of ecosystems and of their inherent value. A systemic flaw is often that women and youth have a limited voice in environmental decision-making within their communities. Women are mainly engaged in lower-paying rural labour activities. Land and farm asset ownership among women is also low, which becomes a barrier for female-headed households to improve their livelihoods<sup>47</sup>. With respect to gender inclusion in the implementation of programmes<sup>48</sup>, the adoption of household methodologies (interventions to target the family as a "unit") is a recommended entry point.

### **Limited access to finance**

In a recent survey conducted by Musika, an initiative mainly funded by Sweden, 75% of surveyed MSMEs highlighted that they mainly sourced start-up capital from their personal savings and used business proceeds to support operations<sup>49</sup>. Loans to the agriculture, forestry, fishery and hunting sector have been performing far worse than any other sector. Challenges around productivity and market access often lead to low-profit margins. As a result, there is a need to provide financing to farmers to increase productivity and formalise value chains. There is an opportunity to develop financing strategies that attract funding from non-traditional sources<sup>50</sup>.

Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:

The direct beneficiaries of the programme are:

- The **community members (women and men, youth (right holders))**, including SHFs, will be empowered through enhanced knowledge and understanding and benefit from different income generating opportunities.
- **GRZ national and decentralised authorities (duty bearers)**, including Ministry of Green Economy and Environment (MoGEE), the Ministry of Agriculture (MoA), the Ministry of Fisheries and Livestock (MoFL), the Ministry of Water Development and Sanitation (MoWDS), the Ministry of Lands and Natural Resources (MoLNR), the Ministry of Finance and National Planning (MoFNP), the Ministry of Local Government and Rural Development (MoLGRD), the Ministry of Tourism (MoT), leading to the development of policies and legislation, as well as their decentralised implementation.
- **Community-level service providers/entrepreneurs, private sector entrepreneurs** that provide SHFs with more end market solutions, innovative services and technologies. This category embraces agro-entrepreneurs, agro-dealers, commercial farmers' groups/associations providing businesses services, input suppliers, output aggregators and processors, such as large commodity traders and end buyers (including exporters). Forest companies, including logging and forest plantation companies, as well as conservation related entrepreneurs, such as eco-tourism operators, game ranching, are also included.
- **Community based organisations (CBOs), committees, boards and associations** that are formed under sector-specific natural resource legislation for purposes of co-management. Their formation, membership, objectives, functions and mechanisms for benefit sharing are defined in the legislation, which also regulates

<sup>46</sup> Impact on land and agricultural commercialisation on local livelihoods in Zambia, 2017, The Journal of Peasant Studies.

<sup>47</sup> Food and Agriculture Organization of the United Nations (FAO), *National gender profile of agriculture and rural livelihoods, Zambia*, 2018.

<sup>48</sup> The EU commissioned study on gender (2021).

<sup>49</sup> Musika, A Needs Assessment of Rural SMEs: A Validation Study 2017.

<sup>50</sup> EDGE, Zambia Investment Landscape Report, April 2021.

them, e.g. Community Resources Boards (CRB) and Water User Associations (WUA), in charge of sub-catchment water resources management plans.

- **International organisations (IOs) representing the rights of those living in the most vulnerable situations**
- **CSOs, CBOs**, including membership-based, cause-based and service-oriented CSOs, non-governmental organisations, faith-based organisations, foundations, research institutions, Gender and LGBTQ+ organisations, not-for-profit media, trade unions and employers' organisations will be involved in the action for communities' mobilisation, mentoring and guiding the implementation of rural development approaches.
- **Financial institutions**, include the non-bank financial institutions, equipment leasing companies, informal lenders (e.g. savings groups or village banking).

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

**The overall objective (impact):** To support a climate-resilient transition towards green partnerships, sustainable growth and decent jobs in Zambia.

**The specific objectives (outcome) are:**

- 1) To enhance resilience of ecosystems and improve people's livelihoods based on landscape approaches along the agriculture-forestry-biodiversity-water and climate nexus.
- 2) To increase participation of smallholder farmers, particularly women and youth, in market-integrated environmentally sustainable, resilient, low carbon, circular and nutrition sensitive value chains.
- 3) To increase income opportunities and apply sustainable resource management practices for local communities.

**The expected outputs are:**

**Output 1.1:** Enhanced policy and capacity for integrated landscape management.

**Output 1.2:** Enhanced capacities for watershed management, addressing forest degradation, biodiversity conservation, water resources management and climate resilience in selected target areas.

**Output 1.3:** Improved capacity for forest policy, governance, management and monitoring systems.

**Output 2.1.:** Improved delivery of transformative services to smallholder farmers, including women and youth.

**Output 3.1.:** Improved livelihoods through enhanced value chains' development in forest products and services as well as diversified income generating activities within game management and protected areas.

#### 3.2 Indicative Activities

The indicative activities in support to the achievement of the specific objectives are as follow:

**Activities related to output 1.1: Enhanced policy and capacity for integrated landscape management.**

- Conduct a baseline, gap assessment and a geo-spatial survey/mapping, combined with biophysical, demographic, and socio-economic data, inclusive of gender analysis
- Identify and monitor areas at risk in the landscape.
- Strengthen the capacity of existing natural resource management and monitoring platforms.
- Share spatial database and information products (e.g. maps) generated for the landscape at national level with relevant local level authorities/stakeholders.
- Build capacities of line Ministries in charge of natural resources management to integrate, develop, implement and monitor policies, promote land-use and landscape planning, build and update inventories.
- Support participatory land-use planning and integrated watershed management and develop integrated land use plans in target areas.
- Build capacities of community-based structures at the landscape level.
- Support benefit-sharing mechanisms for CBNRM.

- Support local and regional activities led by women and youth to inform, raise awareness, advocate and support decision making.

**Activities related to output 1.2: Enhanced capacities for watershed management, addressing forest degradation, biodiversity conservation, water resources management and climate resilience in selected target areas.**

- Plan, develop and implement integrated watershed management on sub-catchment level, including the involvement of local communities and local governance structures.
- Implement multi-sectoral interventions to contribute to restoration of natural capital ecosystems and related ecosystem services, including biodiversity conservation, carbon sequestration, soil fertility, water cycle regulation, and disaster risk reduction.
- Promote and support sustainable private sector involvement in the landscape, along the agriculture-biodiversity-forest-water-climate-nexus.
- Support the development of the national policy on integrated water resources management, feeding into output 1.

**Activities related to output 1.3: Improved capacity for forest policy, governance, management and monitoring systems.**

- Build the capacity of the forest department within MoGEE, including for forest monitoring and production of forestry statistics.
- Update of the national forest policy and statutory instruments to promote sustainable forest management. (e.g. development of national forest management standard traceability systems and domestic green procurement policy).
- Support wise use fire, fire management and monitoring.
- Support measures to promote carbon credit schemes.
- Support measures related to the EU-Zambia forest partnership and its roadmap.

**Activities related to output 2.1: Improved delivery of transformative services to smallholder farmers, including women and youth.**

- Scale up application of sustainable climate smart agriculture practices, integrated soil fertility management, agroecology, diversification of production and sustainable aquaculture and livestock production.
- Promote nutrition sensitive agriculture at household level, promote agro-biodiversity/agro-forestry and the production and consumption of more diversified nutritious food.
- Build niche markets for sustainably-produced products.
- Set up and/or strengthen existing digital farmer networks, as well as trading and transport platforms.
- Disseminate agro-meteorological information, early warning, e-extension messaging on sustainable pest control, animal diseases and post-harvest losses.
- Launch and/or promote a digital Market Information Service (MIS), Virtual Farmers Market and Value Chain Opportunity Service (VCOS),etc.
- Support financing conservation agriculture services, critical mechanisation and machining methods.
- Train/mentor smallholder farmers, agri-entrepreneurs, prioritising women and youth.
- Promote innovative financial services for better financial inclusion of smallholder farmers, prioritising those that apply environmentally sustainable and climate-smart farming practices.
- Support financing of high-impact value addition, management technologies for reducing/avoiding food loss and waste, circularity, aggregation service investments and quality certificates.
- Raise awareness and empower women and youth organisations for equal access to opportunities within increasingly sustainable food systems.

**Activities related to output 3.1: Improved livelihoods through enhanced value chains' development in forest products and services as well as diversified income generating activities within game management and protected areas.**

- Support private sector investments in value chains for forest products and services, including tree plantations.
- Support out-grower schemes in multi-purpose forestry.
- Support community-based forest management group activities.
- Provide funding in local economic activities, supporting sustainable, climate smart and diversified livelihood activities.
- Support the planning and implementation of sustainable management plans of national parks.
- Support wildlife law enforcement capacity, anti-trafficking, anti-poaching.
- Support sustainable human-wildlife interaction practices.

The commitment of the EU's contribution to the Team Europe Initiative to which this action refers, will be complemented by other contributions from Team Europe members. It is subject to the formal confirmation of each respective member's meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise, the EU action may continue outside a TEI framework.

### 3.3 Mainstreaming

#### **Environmental Protection & Climate Change**

##### **Outcomes of the EIA (Environmental Impact Assessment) screening**

The EIA (Environment Impact Assessment) screening classified the action as Category B (not requiring an EIA, but for which environment aspects will be addressed during design).

##### **Outcome of the CRA (Climate Risk Assessment) screening**

The Climate Risk Assessment (CRA) screening concluded that this action is a low-risk project: climate risk aspects will be addressed during the design of the action. The CC adaptation and mitigation measure will be central in designing the support for the sustainable, economically viable and environmentally sound management of natural resource, and for the promotion of agroecological and conservation practices and agroforestry.

##### **Gender equality and empowerment of women and girls**

As per the OECD Gender DAC codes identified in section 1.1, this action is labelled as G1. This implies that the action will contribute to social and economic empowerment of women and girls, making them thrive in their communities. Gender equality will be supported through a holistic approach that includes support to women in their role as caregivers as well as in their role as bread winners for their families.

The action will promote social and economic right of women and girls and ensure that sustainable management of natural resources and biodiversity are gender-responsive. The action will further ensure full participation of women in economic activities in agriculture-forestry-biodiversity-water and climate nexus by increasing access to finance for women-led agribusiness. The action will positively contribute to break the cycle of gender-based violence, malnutrition and poverty by providing an enabling environment to women to act as agent of change for the entire household.

The action will contribute positively to youth empowerment by providing employment opportunities. An enabling environment for participation in decision making both at national and community level will be created to allow youth to take active role in defining the strategic choices for the Landscape's economic development.

##### **Human Rights**

The action will apply the rights-based approach methodology, as outlined in the 2021 European Commission's updated Toolbox. The Action will contribute to Human Rights and Democracy country strategy. The action will have a positive impact on eliminating child labour.

##### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D1. This implies that the action will undertake measures to include people with disabilities to the extent possible.

##### **Disaster Risk Reduction**

The project will promote sustainable and climate resilient/smart technical practices to enhance resilience of ecosystems. The project will also improve people's livelihoods based on landscape approaches along the agriculture-forestry-biodiversity-water and climate nexus. It will improve sustainable land and water management to face extreme events. The project also includes capacity building activities to improve the resilience of populations to climate change.

This implies that the action will mainstream DRR in the activities where relevant.

### 3.4 Risks and Lessons Learnt

Category	Risks	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigating measures
External environment	Frequency & intensity of extreme weather events is magnified by climate change.	Medium	High	The action will support improved natural resource management and agricultural practices in line with agro-ecological facts and conditions, thus reducing vulnerability to extreme weather events, increasing resilience to climate change and preventing reverse environment degradation.
Planning, processes and systems	Limited capacity and coordination of key stakeholders along the landscape approach.	Medium	High	The action will increase focus and coherence of landscape approaches, paired with a better structured and integrated sector policy dialogue.
Planning, processes and systems	Limited political will to support integrated approaches.	Medium	High	The action will focus on constant stakeholders' engagement and will link its interventions to existing structures and policies. Multiple entry points for ownership are created through collaboration at different governance levels.
Planning, processes and systems	Decentralisation of water resources management may continue to be under-resourced.	High	Medium	Mobilization of local authorities and CBOs; Private sector involvement, particularly around water stewardship initiatives; Provision and promotion of self-regulation and lead implementation.
Planning, processes and systems	Decentralisation of forest management is not completed.	Medium	Medium	Capacity building and empowerment of the department of forestry of MoGEE, to more effectively collect revenue from licences, permits and carbon markets. Attracting more private sector investments in the forest sector.
People and organisation	Delayed or ineffective decision making	Medium	High	Policy dialogue and inclusion of policy makers in steering mechanisms.

#### Lessons Learnt:

The main lessons learnt suggest that achieving long term sustainability depends on a number of factors:

- Zambian smallholder farmers require a comprehensive and integrated approach (not one size fits all).
- Land-use planning needs to be integrated in the intervention logic.
- Exit and sustainability strategies need to be developed at the beginning of sub-actions.
- Local community benefit sharing is crucial.
- Diversification of livelihoods and income sources increase sustainability.
- Awareness raising of environmental value of natural capital and ecosystem services increase buy-in.
- Stakeholder consultations during formulation of actions ensures ownership and facilitates implementation.
- Phased approaches are often more realistic in terms of realistic achievements and outcomes, which seems to be recommended also for this particularly complex and comprehensive action.

### 3.5 Intervention Logic

The underlying intervention logic for this action is that a transition towards sustainable green growth, along the agriculture-forestry-biodiversity-water and climate nexus, requires a well-coordinated, multi-stakeholder, participatory approach at landscape level. Given the complexity and comprehensive approach and alignment with a good number of SDGs, linked to the Agenda 2030, as well as to Zambia's NDCs, it is considered that the Action follows a phased (at least 2 project phases) approach.

The action will also take a two-pronged approach from an administrative and governance point of view. It will work at:

**National level to:**

- 1) Support the integrated development of policies and legislation.
- 2) Strengthen integrated land use planning and coordination capacities for sustainable ecosystems and natural resources management

**Community level to:**

- 1) Implement targeted activities for sustainable, climate resilient natural resources management.
- 2) Support transformative investments for diversification of local economies and livelihoods.

**Under specific objective 1, at national level** (output 1.1 combined with output 1.3) the action will, (through Technical Assistance (TA) Service contract), conduct a baseline, gap assessment and a comprehensive geo-spatial survey/mapping of the Landscape, including gender analysis to develop a baseline. It will inform, prioritise and monitor priority areas for interventions. The development of a spatial database and information products, will contribute to the development baseline information, as well as of a joint framework for monitoring and decision making for natural resources management and land-use planning at action level. The TA will further consolidate data and information from the projects implemented at community level. In addition, the TA will strengthen capacities of key stakeholders at national and community level, to enhance multi-stakeholder coordination, monitoring and accountability. The TA will also serve to create a platform for coordination with and among line ministries. The TA will have an additional specific focus on providing capacity building to the Forest Department within the MoGEE (Output 1.3).

Complementarities/synergies will be sought with:

- The national charcoal task force co-chaired by the MoGEE and Ministry of Energy (MoE), aimed at strengthening coordination related to the regulation, enforcement, and monitoring of the charcoal value chain.
- The EU-BMZ co-funded project “Reducing deforestation and forest degradation through sustainable agricultural value chains and improved forest governance”, which will support deforestation free agricultural value chains, forest preservation and forest-based livelihoods, and provide specific policy support on carbon market and finance.
- AFD, who started planning the feasibility of sovereign lending to the forest sector. The TA provided to the forest department of MoGEE could be considered as a risk sharing and reducing measure, facilitating access to guarantees, lending and blending.

**Under specific objective 1, at community level** (output 1.2), the action will (through a Contribution Agreement with GiZ, co-funded by BMZ) support the sustainable planning and implementation of integrated watershed management at sub-catchments level, with particular focus on the Lower Kafue sub-catchment (LKSC). The LKSC is particularly at risk, as it provides water for large a population, including to the capital, Lusaka. This intervention will build upon GiZ’ work in the water sector in the LKSC and upscale activities of the current EU-BMZ funded AWARE project. Multi-sectoral measures contributing to increased climate resilience and reduced disaster vulnerability will address landscape degradation, including deforestation and forest degradation within the target area. Disaster Preparedness/Disaster Risk Reduction will be mainstreamed by supporting the capacity-building of community-based structures.

Support to reconcile water yield and demand among users under existing local governance structures will be also supported for sustainable community led and decentralised integrated watershed management and ecosystems. Repair and climate proof of critical water infrastructures will be also considered. Further actions will be implemented to support sustainable private sector investments for increased productivity and livelihoods of adjacent and downstream forest and agricultural lands.

Complementarities/synergies will be sought with:

- The EU-BMZ co-funded project “Reducing deforestation and forest degradation through sustainable agricultural value chains and improved forest governance” (see above) will develop activities in the LKSC. Well-coordinated interventions among the projects will contribute to integrated planning for local economic, environmentally sustainable and climate smart development.

**Under specific objective 2, at community level** (output 2.1) the action will, through a Contribution Agreement with the World Food Programme (WFP), support SHFs, including women and youth farmers, to improve their livelihoods, resilience, food security and nutrition. To support integrated planning and the landscape approach, activities will geographically target people living in sub-catchment areas covered by activities under specific objective 1. Interventions will take into account agro-climatic and -ecological conditions, as well as the

recommendations from the gap assessment and geo-spatial survey (output 1.1). SHFs will be supported, trained and mentored to adopt agro-ecological principles and conservation agriculture techniques, in view of adopting to changing and increasingly unpredictable weather patterns, induced by climate change. SHFs will be further encouraged to engage in sustainable aquaculture and livestock production to further promote an integrated approach. Soil and water conservation measures will be applied to increase agricultural productivity, and to conserve and restore farmlands and forests. Seed funding will be provided for on-farm processing, development of niche markets for sustainably produced farm products. Youth will be particularly targeted, to embark on delivery of last-mile innovative services. The use of digital financial services will be scaled up and extended among smallholder farmers, including women and youth farmers. Subsequently the availability of enhanced digitalised access to value chain actors, information and trade finance services, will generate prospects for increased access to formal markets and revenues. With improved on-farm efficiency, crop, aquaculture and livestock productivity, with higher remuneration for their produce from better integration to value chains, smallholder farmers, including women and youth farmers, with a sense of rural entrepreneurship, will become an active contributor to increasingly sustainable food system.

Complementarities/Synergies will be sought with:

- A new BMZ funded pipeline project, which will provide TA to the MoA, focusing on the “Transformation of climate smart smallholder agriculture for improved food systems”, and be implemented by GIZ. The initiative will support agricultural policies, strategies and sector coordination, as well as pilot innovative policy implementation, with direct support to SHFs, value chain actors and rural communities. It will benefit from the strong experience of the German cooperation in the agriculture and nutrition sectors.
- The German KfW plans to allocate EUR 10 million to further support actions under the MCDP II “Scaling up nutrition phase II – (SUN II Programme)”.
- The action will further take into account the findings of the Potsdam Institute for Climate Impact Research (PIK), which will study among others the changing agro-ecological and –climatic pattern agriculture value chains in the entire Kafue watershed.
- Ireland plans to design a programme on sustainable food systems, to be implemented from 2023/24.
- The Czech Republic, through the Czech Development Agency, will launch a new multi-year project, targeting small- and medium-sized farmers in the Southern Province of Zambia. The project will include promotion of sustainable and climate smart agriculture practices, thereby enhancing farmers’ resilience and adaptation to climate change. In addition, sustainable management of natural resources (soil, forests, water), supporting value addition opportunities and improving farmers’ access to viable market relationships, financing and insurance are among areas of intervention. The new initiative builds on the strong experience of the Czech Development Agency in the agriculture and rural development sector.

**Under specific objective 3, at community level** (output 3.1), (through direct management of a single grant contract, to be awarded under a Call for Proposals), the action will provide financial support to third parties for investments in sustainable, climate smart diversified local economic activities and value chains as well as creating green decent jobs in support to conservation of biodiversity in the Landscape. These investments may involve: 1) promotion of value chains for forest products and services; 2) mobilisation of equitable carbon finance activities and forest plantations; 3) support to nature-based ecotourism, agro-pastoral activities, game ranching, rangeland and grazing management; 4) sustainable development and management of national parks in the Landscape (such as law enforcement, human-wildlife interaction, biodiversity and wildlife research). This action will also contribute to the national level dialogues on benefit sharing and CBNRM (output 1.1) as well as provision of data for sustainable management of forests (output 1.3).

Complementarities/Synergies will be sought with the following projects, including consideration of their geographic focus, to identify and select intervention areas for this Action:

- AFD that envisages the possibility to mobilize PROPARCO for commercial lending to private sector companies in the forest sector, next to sovereign lending to Zambia’s forest sector.
- The EU-BMZ co-funded project “Reducing deforestation and forest degradation through sustainable agricultural value chains and improved forest governance”, which aims to support community forest management groups in the LKSC).
- EU funded NDICI action “Green Economy Promotion and Diversification (GEPD)” programme, in particular with its dimension to provide investments to MSMEs for the diversification of the economy and creating green and decent jobs.
- The EU funded DeSIRA/GPGC “Zambia for Agroforestry, Biodiversity and Climate (Z4ABC)” project, implemented by CIFOR, in collaboration with Finnish research institutions, which will use adapted research to improve and pilot new value chains in the agriculture-forestry-biodiversity-water and climate nexus in part

of the Landscape (i.e. the LZNP-NP), and enhance market access. Results on economically and environmentally viable value chains and opportunities will feed into the implementation of this action.

- EU funded Economic Governance Support Programme (EGSP), in particular component 2 of skills development and Technical Vocational Education and Training (TVET), implemented by the International Labour Organization (ILO). Note that in addition, a NDICI funded Action, which will focus on skills/TVET that are particularly needed to support green partnerships and the transition to a green economy, will be included in the AAP 2023 or 2024.
- The Southern Africa component of the NaturAfrica programme, which prioritizes the KAZA, Lower Zambezi-Mana Pools (LZMP) – Zimbabwe-Mozambique-Zambia (ZIMOZA), Malawi-Zambia (MAZA), Chimanimani and Greater Kalahari landscapes.
- The “SADC TFCA programme”, currently co-financed substantially by KfW.
- The “Pro-Nature Enterprises Project”, co-funded by AFD.
- Future Global Environmental Facility (GEF) funded programmes, under preparation, which aim to develop (i) An integrated model to protect and manage the Greater Kafue Ecosystem, and at (ii) Empowering rural communities through wildlife and tourism-led economic diversification.  
“Sustainable Wildlife Management –Phase II”, Thematic Programme (Global challenges 2022)

Complementary EFSD+ guarantees funding is searched for the entire action. Possible partnering with the following EFDI that could be associated to the action are: the Netherlands Development Finance Company (FMO), Dutch Fund for Climate Development (DFCD), Agence Française de Développement (AFD), the Deutsche Entwicklungsgesellschaft (DEG), Promotion et Participation pour la Coopération Économique (PROPARCO). Cooperation with other International Financial Institutions (IFI), such as the International Finance Cooperation (IFC) will be continuously explored.

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention. On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the output and outcome indicators, whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.

The final report should enclose the logframe with baseline and final values for each indicator. The indicative logical framework matrix may evolve during the lifetime of the action, depending on the different implementation modalities of this action. The activities, the expected outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, without an amendment being required to the Financing Decision.

	<b>Results chain (e): Main expected results (maximum 10)</b>	<b>Indicators (e): (at least one indicator per expected result)</b>	<b>Baselines (values and years)</b>	<b>Targets (values and years)</b>	<b>Sources of data</b>	<b>Assumptions</b>
<b>Impact</b>	To support a climate-resilient transition towards green partnerships, sustainable growth and decent jobs in Zambia.	Rate of employment in sectors targeted by the EU-funded intervention, disaggregated by sex, age group, disability status and economic sector (OPSYS core indicator) (Percentage)	1.TBD	1. TBD	1. Programme's M&R reports	<i>Not applicable</i>
<b>Outcome 1</b>	To enhance resilience of ecosystems and improve people's livelihoods based on landscape approaches along the agriculture-forestry-biodiversity-water and climate nexus.	1.1. Agricultural, and pastoral ecosystems where sustainable management practices have been introduced (ha) (**GERF 2.2).  1.2. Areas of terrestrial, freshwater and groundwater ecosystems under a) protection b) sustainable management (ha) (**GERF 2.9).	1.1. 0  1.2. 0	1.1. TBD  1.2. TBD	1.1. Programme's M&E's reports; survey and evaluation report.  1.2. Official database of protected areas and relevant decisions of the authorities.	SHF and GRZ buy-in in Integrated Landscape Approach  The relevant policies, the policy implementing agencies are properly funded to continue with the Integrated Landscape Approach
<b>Outcome 2</b>	To increase participation of smallholder farmers, particularly women and youth, in market-integrated environmentally sustainable, resilient, low carbon, circular and nutrition sensitive value chains.	2.1. Number of smallholders exercising sustainable, climate resilient practices, reporting increased revenue as a direct result of EU support received, by sex, age and location.  2.2. Number of youth engaged in provision of agriculture services	2.1. 0  2.2. 0	2.1.TBD (30% to be women)  2.2.TBD (30% to be women)	2.1.-2.3 Baseline study Gap assessment. Programme's and M&E's reports. Food consumption score-nutrition.	Market linkages and enabling conditions are monitored and supported by the communities, regional and central authorities, including agricultural extension / consultancy / training services to the smallholders, and inputs, where necessary.

		(disaggregated by sex, age and location)				
<b>Outcome 3</b>	To increase income opportunities and apply sustainable resource management practices for local communities.	3.1. Number of community members applying resource management practices  3.2. No. of (a) decent jobs (b) new green jobs supported / sustained	3.1. 0  3.2. 0	3.1. . TBD  3.3. TBD	3.1. Programme's and M&E's reports 3.2. SMEs reports	Continued support by the local, regional and central authorities to the communities for resource management
<b>Output 1.1</b> Related to Outcome 1	Enhanced policy and capacity for integrated landscape management.	1.1.1. Number of Inclusive Green Economy (IGE) policy instruments adopted and/or implemented, disaggregated by category of document (OPSYS core indicator) (Number of policy instruments) 1.1.2. # line ministries staff and community members trained, disaggregated by communities, ministries, sex and location	1.1.1. None 1.1.2. 0	1.1.1. Framework established, data collected, monitored and evaluation implemented  1.1.2. TBD	1.1.1. Decision on the policy and the framework, data collection reports  1.1.2. Programme's and M&E's reports	The draft policy, framework is followed-up for adoption and funding The trained professional stay in their jobs
<b>Output 1.2</b> Related to Outcome 1	Enhanced capacities for watershed management, addressing forest degradation, biodiversity conservation, water resources management and climate resilience in selected target areas.	1.2.1. Number of communities with pilot projects implemented with the support of the Action 1.2.2. # forest areas with draft protection plans in the Landscape	1.2.1. 0 1.2.2. 0	1.2.1.TBD  1.2.2.TBD	1.2.1. Maps of degraded/rehabilitated areas, and data collection reports. 1.2.2. Integrated NRM plans.	The pilots are successfully replicated into stable activities The protection plans are followed-up and funded.
<b>Output 1.3</b> Related to Outcome 1	Improved capacity for forest policy, governance, management and monitoring systems.	1.3.1. Number of Inclusive forest management and monitoring tools developed with support	1.3.1. 0	1.3.1.TBD	1.3.1.Data collection reports. Programme's and M&E's reports	The forest management plans and the draft policy are followed-up and adopted and funded.

		of the EU-funded intervention (Number of)				The Community Forest Groups receive support by the local, regional and central authorities
<b>Output 2.1</b> Related to Outcome 2	Improved delivery of transformative services to smallholder farmers, including women and youth.	2.1.1. Proportion of women and youth benefiting from improved access to markets with the support of the Action, disaggregated by sex, age and location 2.1.2. Amount and share of EU-funded external assistance directed towards digitalisation	2.1.1.0 2.1.2.0	2.1.1.TBD 2.1.2.TBD	2.1.1.Programme's and M&E's reports. 2.1.2 Market information system.	Harmonized legislation on benefit-sharing for communities is elaborated and adopted Women and youth have access to further agricultural and business consulting services. The digital systems are funded and maintained by the relevant authorities.
<b>Output 3.1.</b> Related to Outcome 3	Improved livelihoods through enhanced value chains' development in forest products and services as well as diversified income generating activities within game management and protected areas.	3.1.1. # community members with improved livelihoods (income or assets) with the support of the Action, disaggregated by sex and location 3.1.2. Amount and share of EU-funded external assistance contributing to: (a) climate change (adaptation and mitigation), (b) protecting biodiversity, (c) combating desertification, (d) protecting the environment	3.1.1.0 3.1.2.0	3.1.1. TBD (30% to be women) 3.1.2. TBD	3.1.1.-3.1.2- Programmes' and M&E's reports.	Local political situation permits harmonization of different community plans within GMAs

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this action, it is envisaged to conclude a financing agreement with the Republic of Zambia.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 84 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3 Implementation of the Budget Support Component

N/A.

### 4.4 Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>51</sup>.

#### 4.4.1 Direct Management (Grants)

##### **Grants: (direct management)**

##### **(a) Purpose of the grant(s)**

Grant(s) will be used to implement activities to achieve specific objective 3 of the action, more specifically to implement output 3.1. It is planned to conclude one single grant contract following a call for proposals; and the main purpose of the grant will be to provide financial support to third parties.

The objective of the call for proposals is to identify and conclude a grant contract with a beneficiary that will act as the grant fund manager.

##### **(b) Type of applicants targeted**

Eligible applicants include both profit and non-profit legal entities and belonging to one of the following specific type of organisations: i) non-governmental organisations; ii) public sector entities; iii) private sector entities; iv) local authorities; v) international (inter-governmental) organisations or; vi) civil society organisations.

#### 4.4.2 Direct Management (Procurement)

Procurement will be used to fully implement the activities under specific objective 1, more specifically to implement outputs 1.1 and 1.3 to provide technical assistance (TA) for capacity building and institution strengthening to key actors in the landscape (central and local), and ensure good governance of the Action.

The call will be launched under a suspensive clause prior to the adoption of this Decision as of 15 September 2022. This is justified because of the sequencing of the activities necessary to ensure contracting within the D+3 of the Financing Agreement and to the achievement of the objectives. The TA from the procurement procedure needs to be on the ground in order to be able to conduct a mapping and gap assessment of the landscape to inform, prioritise and monitor intervention areas for the landscape. Furthermore, the TA needs to start ahead of the Call for Proposals through which financial support to third parties will be provided

<sup>51</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

(outputs 3 and 5) to support the definition of funding priorities. The procurement provides, inter alia, technical support to line ministries and multi-stakeholders to participate in the assessment and build their capacity, with particular support to the Department of Forestry. Without a suspensive clause, the prioritisation and coordination of the interventions in the landscape would only be done at the earliest in the second year of implementation of the action, leading to a mismatch in the timing of the implementation of the different components.

#### 4.4.3 Indirect Management with a pillar assessed entity (GIZ)

A part of this action may be implemented in indirect management with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). This will be a joint programme, with a co-financing of EUR 6 million from BMZ (Team Europe approach)<sup>52</sup>.

The implementation by GIZ intends to carry out activities contributing to achieving fully output 1.2. The entrusted entity would carry out the following budget-implementation tasks: conducting procurement and grant award procedures, managing the resulting contracts and carrying out payments.

The envisaged entity has been selected using the following criteria: i) longstanding experience in working in Zambia's water sector; ii) well-established presence of staff on the ground and; iii) working along the agriculture-water nexus particularly within the Lower Kafue Sub-Catchment.

#### 4.4.4 Indirect Management with a pillar assessed entity (WFP)

A part of this action may be implemented in indirect management with World Food Programme (WFP).

The implementation by WFP entails carrying out activities contributing to achieving fully output 2.1. The entrusted entity would carry out the following budget-implementation tasks: conducting procurement and grant award procedures and managing the resulting contracts, carrying out payments.

The envisaged entity has been selected using the following criteria : i) technical capacities and ability to promote climate smart agriculture and enhance the resilience of smallholder farmers through provision of financial services including credits, insurance, savings and markets; ii) ability to strengthen capacity of small scale private sector operators and to support their access to markets and finance; iii) good knowledge of the Zambian context and good presence of staff on the ground; iii) previous successful experience managing EU funds in sustainable agriculture and nutrition and; iv) availability of transparent and accountable systems in place for efficient and effective project implementation, monitoring and reporting.

#### 4.4.5 EFSD+ operations covered by budgetary guarantees

This section is included for information purposes only. A comprehensive action plan covering all EFSD+ budgetary guarantees and the financing decision for the entire annual commitment under the EFSD+ budget line are adopted separately.

This action is expected to be complemented and rolled out by EFSD+ operations covered by budgetary guarantees under indirect management. The budgetary guarantees would fall within priority area 1 of the MIP "Green partnerships for sustainable recovery, growth and decent jobs", specific objective 1.1: To promote and invest in the green recovery and sustainable growth along the agriculture-forestry-biodiversity-water and climate nexus, Result 1.2 – Integrated, participatory and sustainable rural development practices are increasingly applied, enhancing resilience of ecosystems along the agriculture-forestry-biodiversity-water and climate nexus and improving people's livelihoods, Result 1.3 – Communities, living adjacent to and within conservation and game management areas, have increasing income opportunities and apply sustainable resource management practices, stabilising the biodiversity within existing protected area.

#### 4.4.6 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances

In case that indirect management (sections 4.4.3 and 4.4.4) with a pillar assessed entity fails due to circumstances outside of the Commission's control, the alternative implementation modality in direct management will be procurement (service contract).

<sup>52</sup> subject to German parliamentary approval

In case that direct management (procurement) (section 4.4.1 and 4.4.2) fails due to circumstances outside of the Commission’s control, the alternative implementation modality in indirect management will be implemented with a pillar-assessed entity.

The entity will be selected by the Commission’s services using the following criteria: (1) longstanding experience in working in Zambia; (2) technical capacities and ability to work along the agriculture-forestry-biodiversity-water and climate nexus and (3) availability of transparent and accountable systems in place for efficient and effective project implementation, monitoring and reporting.

#### 4.5. 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 and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.6 Indicative Budget

<b>Indicative Budget components</b>	<b>EU contribution (amount in EUR) of which EUR 7 500 000 from Sweden transfer agreement to be signed<sup>53</sup>)</b>	<b>Third-party contribution (amount in EUR)</b>
<b>Implementation modalities</b> – cf. section 4.4		
<b>Specific objective 1:</b> To enhance resilience of ecosystems and improve people’s livelihoods based on landscape approaches along the agriculture-forestry-biodiversity-water and climate nexus, composed of:	<b>14 000 000</b>	<b>6 000 000</b>
<i>Procurement (direct management) – cf. section 4.4.2</i>	<i>6 000 000</i>	
<i>Indirect management with GIZ – cf. section 4.4.3.</i>	<i>8 000 000</i>	<i>6 000 000</i>
<b>Specific objective 2:</b> To increase participation of smallholder farmers, particularly women and youth, in market-integrated environmentally sustainable, resilient, low carbon, circular and nutrition sensitive value chains, composed of:	<b>10 000 000</b>	<b>1 000 000</b>
<i>Indirect management with WFP – cf. section 4.4.4</i>	<i>10 000 000</i>	<i>1 000 000</i>
<b>Specific objective 3:</b> To increase income opportunities and apply sustainable resource management practices for local communities, composed of:	<b>12 000 000</b>	
<i>Grants (direct management) – cf. section 4.4.1</i>	<i>12 000 000</i>	
<b>Evaluation</b> – cf. section 5.2	<b>300 000</b>	N.A.
<b>Audit</b> – cf. section 5.3		
<b>Contingencies</b>	<b>1 500 000</b>	N.A.
<b>Totals</b>	<b>37 800 000</b>	<b>7 000 000</b>

<sup>53</sup> Funds allocated to biodiversity/conservation activities to be covered by the service contract and grants – call for proposals.

## 4.7 Organisational Set-up and Responsibilities

A Strategic Programme Steering Committee (SPSC), comprising all key stakeholders, shall be established to oversee the implementation of the action, which shall indicatively meet on an annual (if needed, on a semester) basis. Members of the SPSC will include representatives from (indicative list): The Delegation of the European Union (EUD); co-funding entities, i.e. Germany (BMZ, Embassy) and Sweden (SIDA, Embassy); other EU Member States: Ireland and the Czech Republic; MoFNP; MoGEE; MoA; MoFL; MoLNR; MoWDS; MoLGRD and MoT; CSO representatives; private sector associations; the implementing partners.

The Strategic Programme Steering Committee will be chaired by the line Ministries above, on rotation principle (feasibility to be confirmed prior to signing the Financing Agreement, but latest during inception phase) and co-chaired by the EUD. The TA team under the service contract (cf. section 4.4.2 above) will act as Secretariat to the SPSC.

In addition to the SPSC, a Programme Technical Committee (PTC) in selected targeted areas, within the landscape, shall be established to provide technical guidance and ensure that timely and appropriate decisions are made, related to challenges or issues emerging during implementation. Subject to the number of the targeted areas, within the Landscape, at least two PTCs may be established. Members of the PTC shall meet on a semester (if needed on a quarterly) basis and will include representatives from (indicative list): the EUD, co-funding entities, i.e. Germany (BMZ), Sweden (SIDA), MoFNP, MoGEE, MoA, MoFL, MoLNR, MoWDS, MoLGRD and MoT, provincial and district and local ward authorities targeted by the action, CSO representatives, youth organisations and private sector associations, and the implementing partners. The PTC shall also make recommendations to the SPSC.

Representatives of the implementing partners will provide technical support to the Secretariat and act as observers. Other EU Member States and/or donor funded programme closely linked or implemented in parallel to the Action will be invited to attend PTC as observers. The Technical Assistance will act as Secretariat to the SPSC.

Regular, at least quarterly, project management meetings will be held between the implementing partners and the EUD.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the responsibilities of the implementing partners. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the implementation action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, deviations, as well as the degree of achievement of its results (outputs and direct outcomes). Reference should be made in the reporting to the monitoring of corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support). Indicators shall be disaggregated at least by sex. All monitoring and reporting shall assess how the action is taking into account the human rights-based approach and gender equality.

The Commission may undertake additional project monitoring visits, both through its own staff and through independent consultants recruited directly by the Commission, for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

Roles and responsibilities for data collection, analysis and monitoring: implementing partners will be responsible for data collection on indicators of the logframe matrix.

Furthermore, monitoring and reporting will be supported under output 1, i.e. through an evidence-based spatial database, i.e. a GIS, and remote sensing imagery and other information products, covering the selected target areas in the Landscape. The TA team under service contract (cf. 4.4.2 above) will be responsible for setting up and coordinating a single level monitoring and reporting framework for all implementing partners involved in the Action, including support to provide remote sensing (Copernicus imagery), spatial analysis and thematic mapping. A separate partnership with the Joint Research Centre (JRC) is being envisaged for this purpose

## 5.2 Evaluation

Having regard to the importance of the action, a mid-term and ex-post evaluations will be carried out for the various components of the action via independent consultants contracted by the Commission.

The mid-term evaluation will be carried out for stock taking, monitoring, problem identifying/solving and learning purposes, in particular with respect to potential of replication of the Action.

The ex-post evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the innovative aspects of some activities.

The Commission shall inform the implementing partner at least 1 month in advance of the dates envisaged for the evaluation missions. The implementing partners shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluations shall also assess to what extent the action is taking into account the human rights-based approach as well as how it contributes to gender equality and women's and youth empowerment.

The evaluation reports may be shared with the partners and other key stakeholders, following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

Evaluation services may be contracted under a framework contract.

## 5.3 Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

## 6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU Member States.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix 1 REPORTING IN OPSYS

An intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the institution.

The present Action identifies as

<b>Contract level</b>		
<input type="checkbox"/>	Single Contract 1	Technical Assistance Service Contract
<input type="checkbox"/>	Single Contract 2	Grant Contract
<input type="checkbox"/>	Single Contract 3	Contribution Agreement with GIZ
<input type="checkbox"/>	Single Contract 4	Contribution Agreement with WFP