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**COUNTRY STRATEGIC PLAN REVISION****REVISION****Zambia Country Strategic Plan, Revision number 3**

Gender and age marker code: 3

\* <http://gender.manuals.wfp.org/en/gender-toolkit/gender-in-programming/gender-and-age-marker/>.

	<b>Current</b>	<b>Change</b>	<b>Revised</b>
Duration	July 2019 - June 2024	No change	July 2019 - June 2024
Beneficiaries	2 035 365		2 035 365
Total cost (USD)	142 030 298	0	142 030 298
Transfer	105 172 710	0	105 172 710
Implementation	17 421 566	0	17 421 566
Direct support costs	10 817 274	0	10 817 274
Subtotal	133 411 550	0	133 411 550
Indirect support costs (6.5 percent)	8 618 748	0	8 618 748

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## Zambia Country Strategic Plan, Revision number 3

### RATIONALE

1. Zambia has been particularly hard hit by the recurrence of climate risks that have led to increased dry spells, flooding and drought incidences coupled with extremely high temperatures. In May 2019, the Zambia Vulnerability Assessment Committee (ZVAC) conducted an annual in-depth vulnerability and needs assessment following the 2017/18 and 2018/19 farming seasons that were characterized by severe drought with an estimated 2.3 million people deemed food insecure in 58 districts located in southern and western parts of Zambia. The resulting drought led to high percentages of crop loss (more 50 percent in most cases), high livestock mortality because of reduced pasture and water and increased disease burden. Consequently the effects of the drought led to 54 districts of the 58 districts in the country falling in Integrated Phase Classification (IPC) 3 "Crisis" and 4 districts in IPC 4 "Emergency" category. Recognizing the impact of the drought on rural households, it became fundamental to implement short, medium and long-term interventions aimed at mitigating the impact of drought on households' food security and livelihoods. Among the recommended medium-term interventions are recovery activities aimed at helping households to withstand shocks and bounce back when affected by hazards.
2. To support the recovery of drought affected households and build long term resilience to climate induced shocks; the World Food Programme (WFP) with financial support from Germany state-owned bank, is implementing an early recovery project targeting 104,540 farming households in five districts (Monze, Kalomo, Gwembe, Sioma and Shangombo). The project focuses on ensuring that targeted beneficiaries bounce back and retain level sustenance by accessing drought tolerant inputs, utilizing climate smart farming technologies and reducing post-harvest losses by adopting appropriate and low-cost hermetic storage solutions. The project also aims to reach 33,000 school going children that will benefit from diversified horticulture crops harvested from school production units using hydroponics technology.
3. To facilitate the distribution of drought tolerant inputs and hermetic grain storage bags, WFP will distribute the inputs and storage bags through identified local agro-dealers with presence in the five districts to ensure long term availability of these materials to smallholder farmers. At the same time, this will provide project beneficiaries with choice of inputs to encourage their own investment in additional inputs, labour and other resources for optimal yields from project support.
4. On 04 December 2020, the Country Office (CO) obtained approval to contract Agro Dealers through a waived procurement process to distribute agricultural farming inputs to Small Holder Farmers (SHFs) in various districts during the 2020/2021 farming season. Due to the urgent need to distribute the inputs the CO proceeded with the contracting process in order not to miss the planting window period by the farmers. The funds allocated were programmed as capacity strengthening. It was at the time of PO creation where the CO identified that the funds would need to be re-

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programmed to CBT. For the re-programming a budget revision to the CSP to include a new modality under SO3 is required which is being done through this revision.

5. Valuable lessons have been learnt from the first year of the project in which the current system and distribution modality has provided limited flexibility on the type of seed inputs that beneficiaries could choose from. In addition, processes have been very time consuming and reconciliations cumbersome. To address these limitations on project outcomes for the second season; it is proposed that a distribution modality be accompanied by a payment instrument that enables smallholder farmers timely access to a diversified range of seed inputs from local agro-dealers while offering flexibility to beneficiaries to choose the seed inputs of their choice.
6. Targeted beneficiaries have low literacy rates and the majority do not have their own phone numbers. Thus, it is proposed that payment instruments within the general cash-based transfer (CBT) category be employed for each of the proposed distributions as follows; (i) hermetic grain storage bags - restricted paper-based commodity vouchers to enable 100,000 beneficiaries to redeem hermetic bags from contracted agro-dealers in respective districts, (ii) drought tolerant inputs – paper-based value voucher with enhanced security features. This will enable real time tracking of the number of farmers that redeem the vouchers and the type of inputs selected, while enabling beneficiaries to only have to redeem once in the season. This will also enable timely and easy reconciliation with agro-dealers to ensure timely payments.
7. This budget revision seeks to change the modality for the input support and hermetic bags from “Capacity Strengthening” to “Cash Based Transfer (CBT).” This will enable the project to raise the appropriate CBT type Purchase Requests (PRs) and Purchase Orders (POs) to ensure timely payments to contracted agro-dealers for the full transfer value of inputs and hermetic bags redeemed by project beneficiaries and other associated service fees.

## **CHANGES**

### ***Strategic orientation***

8. This budget revision introduces no changes in the strategic orientation. It proposes a change in modality from “Capacity Strengthening” to “Cash-Based Transfer (CBT) under Strategic Outcome 3, activity 3: *“Smallholder farmers in Zambia, especially women, have increased access to markets, enhanced resilience to climate shocks and diversified livelihoods by 2030”.*

### ***Strategic outcomes***

9. The number of project beneficiaries targeted for drought tolerant inputs and hermetic grain storage bags remain the same at 60,000 and 100,000 respectively.

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However, this budget revision enhances the manner in which project support will be delivered to ensure long term sustainability of outcomes. This further contributes to enhancing the capacity of local service providers (agro-dealers) for continued supply of drought tolerant crops and hermetic bags to smallholder farmers.

10. A voucher-based cash transfer modality is recommended for this intervention to enable project beneficiaries in the targeted districts to access inputs and hermetic bags from local agro-dealers. The transfer instruments proposed take into consideration beneficiary demographics and profiles to ensure maximum inclusion and equality of opportunities and benefits. Paper-based vouchers are the recommended modality (opposed to digital systems) given the low literacy rates among beneficiaries. WFP will prioritize beneficiary sensitization on input redemption using the paper voucher system to ensure no targeted beneficiary is left behind.
11. The project will continue to work with the Ministry of Agriculture at national, district and local levels to ensure successful delivery of the programme. Further, existing relationships with input supply companies and primary suppliers of hermetic grain storage bags will be leveraged to ensure timely and adequate supplies of inputs and materials to agro-dealers.

### **Staff Capacity**

12. WFP has sufficient capacity and expertise on smallholder agriculture support and transfer modalities to guide the design of the proposed adjustments. WFP will draw on regional and global capacities as needed to enhance its capacity to support the design and effective implementation of the programme in key aspects such as market monitoring on input and hermetic bags prices and stock levels to inform tendering and logistics design to ensure effective project delivery..

### **Supply chain**

13. The Country Office (CO) supply chain team has provided technical support in agro-dealer mapping and contracting. Further support in the identification and contracting of service providers for the transfer instruments will be provided by supply chain subject to budget revision approval.

### **Storage**

14. No storage facilities will be required as this responsibility will be carried out by the agro-dealers up to the time the seed inputs and hermetic bags are redeemed by project beneficiaries.

### **Monitoring and Evaluation (M&E)**

15. Monitoring will be an integral component during the distribution of both inputs and hermetic bags. To monitor the distribution process, beneficiary perceptions and satisfaction on the distribution process, access to the agro-dealers and use of the inputs, the M&E unit will conduct distribution and post distribution monitoring at least two to four weeks after the input distribution.

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16. The beneficiaries will be sensitized on the existing complaints and feedback mechanisms including the toll-free hotline. This will enable the CO to identify challenges being experienced by the beneficiaries and facilitate timely remedial actions in a gender-sensitive manner and programme adjustments where necessary.

### **Proposed exit strategy**

17. By supporting the growth of local markets for drought tolerant crops and hermetic bags, the programme will contribute to increasing availability and demand for these products in local markets. This market-based approach will enable smallholder farmers supported by the programme to access these materials through local agro-dealer shops.
18. Similarly, given that the project is implemented through Ministry of Agriculture structures, project beneficiaries will be motivated to access drought tolerant crops among the range of inputs supplied under the Farmer Input Support Programme (FISP); the largest government subsidy programme under the Ministry of Agriculture.

### **Risk Management**

19. To mitigate against possible shortage of either inputs or hermetic bags, the programme will leverage relationships with input suppliers and primary suppliers of hermetic bags to ensure sufficient volumes are produced and made available to participating agro-dealers. Specific inputs related to orange maize have a high demand and thus WFP will monitor this to ensure that targeted agro-dealers have sufficient stocks for beneficiaries of the programme.
20. To mitigate the impact of possible price changes for both inputs and hermetic bags, WFP will provide allocations to agro-dealers to enable advance procurements while price changes for both products will be closely monitored.
21. Leveraging its feedback mechanism, WFP will continue to monitor protection issues including Sexual Exploitation and Abuse (SEA) in relation to the redemption of both inputs and hermetic bags; however no cases were reported during the first phase of the distribution.
22. While the security context in Zambia remains stable; WFP Zambia will monitor the perceived or actual security threats from its distributions through its on-spot monitoring processes and monthly monitoring. WFP complies with UN operational security standards.

## Beneficiary analysis

23. No changes will be made to the beneficiaries by strategy outcome under this budget revision. The below beneficiary analysis provides an overview of the existing CSP.

Strategic Outcome	Activity <sup>1</sup>	Period	Women (18+ years)	Men (18+ years)	Girls (0-18 years)	Boys (0-18 years)	Total	
1	Activity 1. General Food/CBT Distributions (Refugees/Emergency)	Current	624,834	924,515	117,420	114,056	1,780,825	
		Increase/decrease						
		Revised	624,834	924,515	117,420	114,056	1,780,825	
	Activity 1: Prevention of acute malnutrition through blanket supplementary feeding: children aged 6-23 months and pregnant and lactating women and girls	Current	4681	-	2625	2625	9931	
		Increase/decrease	-	-	-	-	-	
		Revised	4681	-	2625	2625	9931	
	Activity 1: Treatment of moderate acute malnutrition through targeted supplementary feeding: children aged 6-59 months and pregnant and lactating women and girls	Current	1765	-	3465	3465	8695	
		Increase/decrease	-	-	-	-	-	
		Revised	1765	-	3465	3465	8695	
	3	Activity 3: Promotion of climate-smart agriculture, crop diversification and post-harvest management among smallholder farmers	Current	101816	152724	-	-	254540
			Increase/decrease					
		Activity 4: Provision of enhanced access to markets, financial and aggregation services to smallholder farmers	Revised	101816	152724	-	-	254540
<b>TOTAL (without overlap)</b>	Current	726,650	1,077,239	117,420	114,056	2,035,365		
	Increase/decrease							
	Revised	726,650	1,077,239	117,420	114,056	2,035,365		

Note: Activity 3 and 4 covers the same beneficiaries.

## Transfers

	Current budget		Increase		Revised budget	
	Total (mt)	Total (USD)	Total (mt)	Total (USD)	Total (mt)	Total (USD)
Cereals	6 570	3 170 552	0	0	6 570	3 170 552
Pulses	24 746	16 311 526	0	0	24 746	16 311 526
Oil and Fats	411	409 242	0	0	411	409 242
Mixed and blended foods	2 039	1 502 018	0	0	2 039	1 502 018
Other	82	29 293	0	0	82	29 293
<b>TOTAL (food)</b>	33 848	21 422 631	0	0	33 848	21 422 631
Cash-based transfers (USD)		32 585 267		1 492 025*		34 077 292
<b>TOTAL (food and CBT value - USD)</b>	33 848	54 007 898	0	1 492 025*	33 848	55 499 923

\*Note that this is not an increase but a change from the modality of Capacity Strengthening to Cash Based Transfer (CBT). Given the current architecture of table 3, it only includes increases in food and cash transfers (and no decreases) thus the USD 1.5 million shows as an "increase".

<sup>1</sup> Indicate whether transfer is in the form of in-kind, CBT or capacity strengthening. If more than one modality per activity, duplicate the rows.

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## COST BREAKDOWN

24. No changes will be made to the budget under this budget revision, hence no changes are reflected in the below table. The change introduced through this budget revision is that in modality under activity three from capacity strengthening to cash based transfers.

	Strategic Result 1 / SDG Target 2.1	Strategic Result 2 / SDG Target 2.2	Strategic Result 3 / SDG Target 2.3	Strategic Result 5 / SDG Target 17.9	Strategic Result 8 / SDG Target 17.16	Total
Strategic outcome	1	2	3	4	5	
<b>Focus area</b>						
<b>Transfer</b>						0
<b>Implementation</b>						
<b>Direct support costs</b>	<i>(no figures in the grey cells)</i>					
<b>Subtotal</b>						
<b>Indirect support costs (6.5%)</b>						0
<b>TOTAL</b>						0

	Strategic Result 1 / SDG Target 2.1	Strategic Result 2 / SDG Target 2.2	Strategic Result 3 / SDG Target 2.3	Strategic Result 5 / SDG Target 17.9	Strategic Result 8 / SDG Target 17.16	Total
Strategic outcome	01	02	03	04	05	
<b>Focus area</b>	Crisis Response	Root Causes	Resilience Building	Root Causes	Crisis Response	
<b>Transfer</b>	72 818 735	8 999 098	16 038 020	6 562 754	754 103	105 172 710
<b>Implementation</b>	7 466 595	1 800 320	6 009 459	2 145 192	0	17 421 566
<b>Direct support costs</b>	6 387 867	1 193 748	2 213 865	960 465	61 329	10 817 274
<b>Subtotal</b>	86 673 197	11 993 167	24 261 344	9 668 411	815 432	133 411 550
<b>Indirect support costs (6.5%)</b>	5 633 758	779 556	1 576 987	628 447	0	8 618 748
<b>TOTAL</b>	92 306 954	12 772 722	25 838 331	10 296 858	815 432	142 030 298



## Annex 1: Revised Line of Sight

The inclusion of the CBT modality under activity 3 (highlighted in yellow) has been reflected in the Line of Sight through this budget revision.

Zambia Country Strategic Plan 2019-2024				
Collective Outcome	Collective Outcome	Collective Outcome	Collective Outcome	Collective Outcome
UNSDCF OUTCOME 1.1	UNSDCF OUTCOME 1.2	UNSDPF OUTCOME 2.2	UNSDCF OUTCOME 1.1	UNSDCF OUTCOME 1.1
SR1: Access to food (SDG 2.1)	SR2: End Malnutrition (SDG 2.2)	SR3: Smallholder productivity and incomes (SDG 2.3)	SR5: Capacity strengthening (SDG17.9)	SR8: Capacity strengthening (SDG17.16)
CRISIS RESPONSE	ROOT CAUSES	ROOT CAUSES	RESILIENCE BUILDING	CRISIS RESPONSE
<b>OUTCOME 1</b> Crisis-affected people in Zambia, including refugees, can meet their basic food and nutrition needs all year round.	<b>OUTCOME 2</b> Vulnerable people in Zambia have improved nutritional status in line with national targets, by 2024.	<b>OUTCOME 3</b> Smallholder farmers in Zambia, especially women, have increased access to markets, enhanced resilience to climate shocks and diversified livelihoods by 2030.	<b>OUTCOME 4</b> Government institutions in Zambia have more efficient, effective, and shock-responsive social protection systems to contribute to SDG2	<b>OUTCOME 5</b> Government institutions in Zambia have more efficient, effective, and shock-responsive social protection systems to contribute to SDG2
<b>BUDGET SO 1: \$</b>	<b>BUDGET SO 2: \$</b>	<b>BUDGET SO 3: \$</b>	<b>BUDGET SO 4: \$</b>	<b>BUDGET SO 5: \$</b>
<b>UNIQUE DIRECT BENEF. SO 1: #</b>	<b>OUTPUTS</b>	<b>UNIQUE DIRECT BENEF. SO 3: #</b>	<b>OUTPUTS</b>	<b>OUTPUTS</b>
<b>OUTPUTS</b> 1.1 Crisis-affected people (tier 1) receive cash and/or food-based transfers that meet their basic food and nutrition needs. (Output Category A: Resources Transferred) 1.2 Crisis-affected children under 5 and pregnant and lactating women (PLW) (tier 1) receive specialized nutritious foods that improve their nutrition status. (B: Nutritious foods provided) (SR2) (links to output 2.3)	2.1 Food-insecure people (tier 3) benefit from strengthened government and partner capacity to deliver nutrition interventions that increase their access to and consumption of nutritious foods. (Output Category C: Capacity development & technical support provided) (SD1, 3, 4) 2.2 Targeted communities (tier 3) benefit from increased access to nutrition products through strengthened private sector value chains for nutritious foods. (C) 2.3 Targeted communities (tier 2), including PLW and caregivers of children, and adolescents access knowledge and adopt practices that will improve nutritional status and reduce malnutrition. (C) (SO 1, 3, 4)	<b>OUTPUTS</b> 3.1 Smallholder farmers (tier 2) benefit from knowledge and skills in diversified production, including with regard to nutritious crops, that increases their consumption of nutritious foods and their marketable surplus. (C) (SR2) (links to output 2.3) 3.2 Smallholder farmers (tier 1) benefit from knowledge and technology in post-harvest management to enhance their resilience to shocks and increase their incomes. (C). (links to output 2.3) 3.3 Smallholder farmers (tier 1) benefit from strengthened technology and information in climate-smart agricultural practices to improve their resilience to shocks. (C) 3.4 Smallholder farmers (tier 3) benefit from enhanced government systems, knowledge generation and research, service delivery and programmes. (Output category M: National coordination mechanisms supported) 3.5 Smallholder farmers (tier 1) benefit from enhanced access to markets, agribusiness and financial services to increase their incomes and resilience. (C). (links to output 2.2)	4.1 Zambians (tier 3) benefit from supply chain services provided to the Government as necessary. (C) 4.2 Schoolchildren (tier 3) benefit from strengthened government capacity to implement a nutrition-sensitive home-grown school meals programme. (M) (links to output 2.3) 4.3 Shock-prone people (tier 3) benefit from access to food through enhanced government capacity in vulnerability analysis and needs assessment, early warning, disaster preparedness and response. (C) 4.4 Vulnerable people (tier 3) benefit from nutrition-sensitive government safety net programmes. (C)	5.1 Zambians (tier 3) benefit from on-demand supply chain services provided for transport of essential food and non-food items.
<b>ACTIVITY 1</b> Provide food and nutrition support to crisis-affected populations. (Activity Category 1: Unconditional resource transfers to support access to food: Modalities: food, CBT, SD)	<b>ACTIVITY 2</b> Provide technical support to government institutions and the private sector to reduce malnutrition and scale up high impact nutrition interventions. (Cat 9: Institutional capacity strengthening activities: Modality: CS)	<b>ACTIVITY 3</b> Promote climate-smart agriculture, crop diversification and post-harvest management among smallholder farmers and through government systems. (Cat 3: Climate adaptation and risk management activities: Modality: CS, <b>CBT</b> )	<b>ACTIVITY 5</b> Provide technical expertise and other services to strengthen systems and capacities of government institutions and other partners to implement social protection programmes, early warning, disaster preparedness and response (Activity category 9: modality CS, SD)	<b>ACTIVITY 7</b> Provide on-demand service provision through logistical support for food and non-food movement and common facilities service provision (Activity category 10: Modality: SD)
		<b>ACTIVITY 4</b> Provide smallholder farmers with enhanced access to markets and financial and aggregation services. (Cat 2: Smallholder agricultural market support activities: Modality: CS)	<b>ACTIVITY 6</b> Provide technical support to the government in strengthening systems and capacities of the structures responsible for the home grown school meals programme (Activity category 9: Modality: CS)	