



REPUBLIC OF ZAMBIA
MINISTRY OF AGRICULTURE
MINISTRY OF FISHERIES AND LIVESTOCK

SECOND NATIONAL AGRICULTURE INVESTMENT PLAN (2024 - 2033)



**COMPREHENSIVE AGRICULTURE
TRANSFORMATION SUPPORT
PROGRAM (CATSP)**



Mulungushi House, Corner of Independence
Avenue & Nationalist Road, Lusaka



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REPUBLIC OF ZAMBIA
Ministry of Agriculture
Ministry of Fisheries and Livestock
Comprehensive Agriculture Transformation Support Program
[Second National Agriculture Investment Plan]



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FOREWORD

Agriculture plays a crucial role in fostering Zambia's overall socio-economic development through guaranteeing food and nutrition security, employment and wealth creation. The sector accounts for more than 20 percent of Zambia's formal labour force and is the main source of raw materials for the manufacturing sector, hence offering additional economic opportunities. Agriculture also contributes to the nation's Balance of Trade with export earnings currently standing at seven percent. The sector therefore, offers a robust pathway for diversified and inclusive national economic transformation.



Despite its importance, performance of the sector is constrained by dependency on rain-fed production systems, climate variability, low levels of mechanization and uptake of technologies, inadequate extension services, limited value addition, low investment, pests and diseases, limited access to finance, inefficient input and output marketing systems and poor infrastructure. Further, the contribution of the sector to nutrition security is constrained by limited diversity. Addressing these challenges require urgent transformation and was the premise for the Government to formulate the Comprehensive Agricultural Transformation Support Programme (CATSP).

The CATSP is Zambia's second National Agriculture Investment Plan (NAIP II). The CATSP also responds to continental and international aspirations for the agricultural sector and is fully aligned to the Eighth National Development Plan (8NDP) and the Vision 2030. In this regard, CATSP seeks to achieve: (1) increased food security; and (2) improved nutrition; (3) increased job opportunities; (4) increased agricultural exports; (5) reduced food imports; and (6) increased incomes and wealth creation. Achievement of these outcomes will only be possible through increased private investment in the sector. Public investment and an enabling policy environment will also be key.



At the continental level, CATSP provides a pathway to domesticate the Comprehensive Africa Agriculture Development Program (CAADP). Some of the commitments under CAADP include increased investment finance in agriculture through: (1) allocation of at least 10 percent of public expenditure to agriculture, and ensuring its efficiency and effectiveness; and (2) creation or enhancement of appropriate policy and institutional conditions and support systems to unlock private investment in agriculture value chains. Further, CATSP responds to the aspirations of Agenda 2063 (*The Africa We Want*) which include a realization of a modern agriculture.

CATSP will also accelerate, and contribute to, Zambia's achievement of the following Sustainable Development Goals (SDGs): SDG 1 - End poverty in all its forms; SDG 2 - End hunger, achieve food security and improved nutrition; SDG 8 - Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all; SDG 13 - Take urgent action to combat climate change and its impacts; SDG 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

I am, therefore, optimistic that the implementation of the CATSP will result in fundamental and desirable outcomes for the Zambian economy. I see CATSP as the strategy for achieving Government's vision of a viable commercial agricultural sector that will end hunger and improve nutrition, while accelerating social and economic growth, and making Zambia the food basket of the region.

Finally, I wish to underscore that effective implementation will call for budgetary, institutional, structural and other reforms. In this regard, government remains committed to the reforms. I wish to call upon all stakeholders such as private sector, farmer organizations and industry associations, Cooperating Partners, Civil Society Organizations, Faith-Based Organizations, Financial Institutions, Government Ministries and other public sector agencies to play their respective roles in the implementation of the CATSP. Furthermore, I wish to implore stakeholders to undertake joint assessments at least annually to track implementation progress and to ensure that the policy measures deployed by the government are effective.

Hakainde Hichilema

PRESIDENT OF THE REPUBLIC OF ZAMBIA



ACKNOWLEDGEMENTS

The formulation of the Comprehensive Agricultural Transformation Support Program (CATSP) is an outcome of a participatory and consultative process that involved the government ministries and agencies, cooperating partners, the private sector and civil society organizations. The process was supported financially and technically by various categories of Cooperating Partners who believed in the need to for a structured approach to driving the transformation of Zambia's agriculture sector.

We are grateful to the President of the Republic of Zambia, Mr. Hakainde Hichilema, and his Cabinet for providing guidance and direction to the process and ensuring that the CATSP is adopted as the Government strategy for attaining the country's vision for agricultural transformation.

We also wish to pay special gratitude to the Swedish International Development Cooperation (SIDA), Alliance for a Green Revolution of Africa (AGRA), Food and Agriculture Organisation of the United Nations (FAO), German Cooperation (GIZ) and United States Agency for International Development (USAID) for providing financial and technical resources to support CATSP formulation process, including consultations among public sector agencies, and with private sector and civil society organizations.

We specially wish to pay profound tribute to AGRA, FAO and GIZ for assembling and supporting a team of local and international consultants who assisted the government to formulate the program. The tenacity of the consulting team, international consultants from ITEED and local from AnChiCon Limited consulting deserves special mention and recognition. Further, we would also like to acknowledge the technical support rendered by MUSIKA and Agricultural Consultative Forum (ACF).

As pointed out above, CATSP formulation was participatory and consultative, and benefitted from inputs from stakeholders. We are grateful to the Office of the Vice President, and the Ministries of Finance and National Planning, Commerce, Trade and Industry, Small and Medium Enterprise Development, Water Development, Sanitation and Environmental Protection, and Green Economy and Environment.



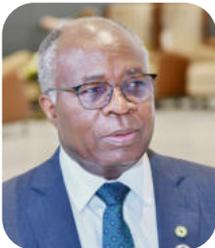
We wish to call upon all stakeholders to own and support the implementation of the CATSP which is our Second National Agriculture Investment Plan.



Hon. Reuben P. Mtolo, MP
MINISTER OF AGRICULTURE



Hon. Eng. Peter Kapala, MP
MINISTER OF FISHERIES AND LIVESTOCK



Hon. Dr. Situmbeko Musokotwane, MP
MINISTER OF FINANCE AND NATIONAL PLANNING





LIST OF ABBREVIATIONS

3As	Agriculture, Aggregation Alliances
8NDP	Eighth National Development Plan
ACGS	Agriculture Credit Guarantee Scheme
ACLTAB	Agriculture Concessional Loans Through Anchor Borrower
AFC	Agricultural Finance Corporation
AfCTA	African Continental Free Trade Area
AfDB	African Development Bank
AGRA	Alliance for a Green Revolution in Africa
AHPZ	Aquaculture High Potential Zones
AMIC	Agriculture Market Information Centre
APEPF	Agro-processing and Export Promotion Facility
ASMEL	Agriculture Small and Medium Enterprises
AWPBs	Annual Work Plan and Budgets
CAADP	Comprehensive Africa Agriculture Development Program
CAS	CATSP Accountability System
CATSP	Comprehensive Agriculture Transformation Support Program
CDF	Constituency Development Fund
CLA	Cluster Lead Agency
COMESA	Common Market for Eastern and Southern Africa
CPI	Consumer Price Index
CSA	Climate Smart Agriculture
CSC	CATSP Steering Committee
CSO	Central Statistics Office
DDCC	District Development Coordinating Committee
DMMU	Disaster Management and Mitigation Unit
DOR	Department of Resettlement (Resettlement Division)
EBA	Enabling the Business of Agriculture
FAO	Food and Agriculture Organization of the United Nations



FBDP	Farm Block Development Program
FDI	Foreign Direct Investment
FMF	Farm Mechanization Facility
FRA	Food Reserve Agency
GHG	Green House Gases
GRZ	Government of the Republic of Zambia
HCAT	High Counsel for Agriculture Transformation
IAPRI	Indaba Agricultural Policy Research Institute
IAs	Investment Areas
IBIF	Index-Based Insurance Facility
ICT	Information, Communication and Technology
IDF	Interest Drawback Facility
IFAD	International Fund for Agriculture
IFMIS	Integrated Financial Management and Information System
ILDF	Irrigation and Land Development Fund
ISCU	Interim Strategic Coordination Unit
IUU	Illegal, Unregulated and Unreported
LIMS	Livestock Information Management System
M&E	Monitoring and Evaluation
MPSAs	Ministries, Departments and Agencies
MDD	Management Development Division
MOA	Ministry of Agriculture
MFL	Ministry of Fisheries and Livestock
MCDSS	Ministry of Community Development and Social Services
MCTI	Ministry of Commerce Trade and Industry
MoFNP	Ministry of Finance and National Planning
MGEE	Ministry of Green Economy and Environment
MoH	Ministry of Health
MIHUD	Ministry of Infrastructure, Housing and Urban Development
MLNR	Ministry of Lands and Natural Resources



MSMEs	Micro, Small and Medium Enterprises
MT	Metric Tons
NAIP I	First National Agriculture Investment Plan
NAIP II	Second National Agriculture Investment Plan
NAPPO	National Plant Protection Organization
NDP	National Development Plan
NFNC	National Food and Nutrition Commission
NRFA	National Road Fund Agency
NGO	Non-Governmental Organization
NPC	Not-for-Profit Companies
OVP	Office of the Vice President
PDCC	Provincial Development Coordinating Committee
PIIs	Policy Implementation Instruments
PPP	Public Private Partnership
PQPS	Plant Quarantine and Phytosanitary Services
PS	Permanent Secretary
RDA	Road Development Agency
SADC	Southern African Development Community
SAP	Structural Adjustment Program
SDIs	Spatial Development Initiatives
SMS	Short Message Service
SP	Sub-Programs
SPS	Sanitary and Phytosanitary
SZI	Smart Zambia Institute
TAF	Technical Assistance Facility
ToR	Terms of Reference
UPOV	Union for the Protection of New Varieties
US Dollars	United States Dollars
VCDPAs	Value Chain Development Plan Agreements
WARMA	Water Resources Management Authority



WIFF	Warehousing and Infrastructure Financing Facility
YALF	Youth Agriculture Loans Facility
ZARETA	Zambia Agriculture and Rural Economy Transformation Agency
ZATTF	Zambia Agriculture Transformation Trust Fund
ZARI	Zambia Agricultural Research Institute
ZAVI	Zambia Animal Vaccine Institute
ZDA	Zambia Development Agency
ZDHS	Zambia Demographic and Health Survey
ZEMA	Zambia Environmental Management Agency
ZIAMIS	Zambia Integrated Agriculture Management and Information System
ZIFSAT	Zambia Innovative Financial Services for Agriculture Transformation
ZINSAT	Zambia Innovative Non-Financial Services for Agriculture Transformation
ZIRSAT	Zambia Innovative Risk Sharing for Agriculture Transformation
ZMW	Zambian Kwacha
ZSA	Zambia Statistics Agency









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EXECUTIVE SUMMARY

Introduction: The Comprehensive Agriculture Transformation Program (CATSP) is designed to translate into action the will and commitment of the Government of the Republic of Zambia (GRZ) to implement an agriculture transformation policy. The implementation of this agriculture transformation policy is based on the deployment of a compendium of policy instruments inspired by the lessons learned from experiences on a global scale, but also in Africa and Zambia.

Poverty Levels and Income Inequalities: With poverty levels above 60 percent, Zambia still ranks among the countries with high incidences of poverty and inequality in Africa and globally. Poverty is higher in rural areas (78.8%) than it is in urban areas (31.9%) mainly owing to inadequate nutrition, households' inability to afford agricultural inputs, low wages or salaries and lack of capital to start or expand business. Income inequalities exist among male and female headed households, and between urban and rural areas. The average per capita income for rural areas was ZMW 185.90 while that of urban areas was ZMW 796.40. Male headed households earned mean monthly income of ZMW 1,928, while female headed households earned mean monthly income of ZMW 1,377.60.

Overall Economic Trends: Over the period 2014 to 2023, Zambia's GDP grew at an average rate of 3.28 percent with the highest rate of 5.4 percent registered in 2023 and the lowest rate of negative 2.8 percent recorded in 2020. Over the same period, inflation assumed an upward trend increasing from 7 percent in 2014 to 10.9 percent in 2023. The average exchange rate also rose from K6.38 per US Dollar in 2014 to K20.23 per US Dollar in 2023.

Agricultural Sector Contribution to the Economy: Agriculture plays a pivotal role in fostering Zambia's socio-economic development. The sector guarantees household and national food and nutrition security, and is a major source of income for both rural and urban households and provides employment and wealth creation opportunities. The sector accounts for 51% of Zambia's labour force. Over 50% of the Zambian population depends on agriculture for their food, primarily through smallholder production. The Zambian manufacturing sector is predominantly agro based. Despite the importance of agriculture to the economy, the sector's contribution to GDP has over the period 2014 to 2023 averaged 4 percent reducing from 6.8 percent in 2014 to 2.8 percent in 2023. The analysis of data on agricultural and manufacturing annual growth, and the contribution of manufacturing to GDP shows a high correlation between agricultural and



manufacturing performance. Improvements in the performance of agriculture will, therefore, result in the enhanced performance of manufacturing sector and the latter's contribution to GDP.

Agricultural Commodities: Zambia produces, consumes and exports a wide range of commodities that include: **Crops** - maize, wheat, sorghum, rice, millet, sunflower, groundnuts, soyabeans, cotton, Irish potatoes, Virginia tobacco, burley tobacco, mixed beans, bambara nuts, cowpeas, velvet beans, sweet potatoes, cassava, cashew nut, paprika, chilies, and exotic and indigenous fruits and vegetables; **Fisheries** - Tilapia, kapenta, cisense, catfishes, Buka Buka fish, Nchengas and Tigerfish; and **Livestock** - cattle, goats, pigs, dairy, village chickens, broiler chickens, and egg producing chickens.

Agricultural Contribution to Balance of Payments: Agriculture accounts for approximately 29% of non-traditional exports (NTEs) and 7% of total national exports. Over the period 2014 to 2023, Zambia's crop exports decreased while livestock and fisheries exports increased. During the same period, crops, fisheries, and livestock imports increased. Overall, despite the increasing trend in agro exports, Zambia's food import bill continues to grow resulting in very small positive margins in terms of trade balance for crops and livestock and a negative trade balance for fisheries. In 2023, the quantity of exports for fish and fish products was 5,641.2 Mt valued at K135.8 million whilst import volumes were at 105,399.5 Mt valued K3,343.4 million.

Food Security: Based on the analysis of the National Food Balance Sheet over the period 2014 – 2023, Zambia produced sufficient food for both human consumption and industrial use with an average surplus of 551,652 Mt for all balance sheet crops in maize equivalent and 806,369 Mt for maize only. Crops that contributed to the surplus are sorghum, millet and cassava whilst paddy rice and wheat registered a deficit that has mainly been filled by imports. The national food balance sheet does not include livestock and fisheries commodities hence the limitation in assessing food security in terms of fisheries and livestock.

Nutrition: The Nutrition Act of 2020 provided for the establishment of a Coordinating Committee responsible for multi-sectoral response to food and nutrition programmes in Zambia. Over the period 2014 – 2023, the incidence of children with severe malnutrition increased from 0.97 to 3.1 per 1000 under five population. Stunting for children under five years old reduced to 35 percent in 2018 from 40.1 percent in 2014. The prevalence of stunting was higher among children in rural areas (36%) than among children in urban areas (32%).



Underweight and wasting also reduced to 12 percent from 14.8 percent and to 4 percent from 6 percent, respectively. The percentage of children overweight is around 5%.

Sector Opportunities: Zambia enjoys a huge agricultural potential and a favorable demographic dynamic. The following are some of the country's opportunities, and weaknesses that can be turned into opportunities: 75 million hectares of land, of which 42 million hectares is arable but only 10 – 15% under cultivation; Irrigation potential of 2.75 million hectares with only 200,000 hectares currently under irrigation; favorable demographic dynamic offering women and youth to participate in the entire agricultural value chain; the good level of information and communications technology (ICT) infrastructure creates an opportunity for producers to have improved access to climate, financial, market and agricultural information allowing for informed decision making; low access to energy, particularly in rural areas, provides an opportunity for promoting the availability and affordability of renewable energy options for farmers; and the burgeoning youth population and associated youth unemployment presents an opportunity for increased youth participation in agriculture. Some key investment opportunities lie in farm block development, crop production, agriculture input supply and management, agro-processing, agricultural finance - credit and insurance, agricultural mechanisation, irrigation, aggregation, storage facilities and warehousing.

Sector Growth Constraints: The growth of the agricultural sector in Zambia is constrained by low production and productivity, particularly among small-scale farmers, inefficiencies in input and commodity marketing, limited value addition and processing, and limited agricultural growth support systems.

Lessons from NAIP I and Other Countries: The effective implementation of NAIPs is reliant upon clear policy measures that the public sector should deploy, implementation of specific value chain schemes including development of legally binding value chain development plan agreements signed by relevant stakeholders, effective mobilization, and coordination of implementing agencies, and creation of a dedicated fund to finance agricultural development.

Vision of the Government of the Republic of Zambia: Given the performance of the agricultural sector over the past decade, and in view of the constraints that beset the sector and the opportunities for revamping the sector's performance, the Government seeks to transform the sector through the deployment of a compendium of comprehensive policy implementation instruments, in order to



accelerate inclusive economic growth and end hunger and malnutrition. It is in this regard that the Government has designed, and seeks to implement, CATSP. CATSP comprises not only interventions under the crops, fisheries, and livestock sub-sectors of the agricultural sector but also interventions related to emergency preparedness and response system, the environmental and social safeguard, the management of lands and renewable natural resources, and the security of land tenure.

CATSP Strategic Priorities: The design of CATSP is anchored on the following seven (7) strategic priorities: Strategic priority 1 – Confine and strengthen the public sector in its role of creating an enabling environment for agriculture business; Strategic priority 2 – Enhance the quality of public expenditure in agriculture; Strategic priority 3 – Promote inclusive local supply chains across the country; Strategic priority 4 – Expand private sector’s access to financial services; Strategic priority 5 – Upgrade infrastructure for production, processing and trading; Strategic priority 6 – Increase investment for research and enhance the uptake of technologies; Strategic priority 7 – Promote land tenure security, as well as social and environmental safeguards.

Value Chain Focus and Development: CATSP is based on the principle of value chain approach. The choice of the value chains took into account various factors, including food security and improved nutrition, increasing agricultural exports, reducing imports, resilience and disaster risk reduction, environmental sustainability, and creation of job opportunities. To foster value chain development, CATSP will promote development and growth of industry associations along the selected priority value chains, facilitate preparation, signing and implementation of Value Chain Development Plan Agreements (VCDPAs) and institutionalization of agricultural aggregation alliances (3As). A first batch of priority commodities include maize, wheat, soybean, onion, Irish potato, avocado, macadamia, beef, poultry, dairy and fish.

CATSP Theory of Change: Through the implementation of CATSP, the Government seeks to achieve the following outcome-level results: food security, improved nutrition, job creation, increased agricultural exports, reduced imports, enhanced contribution to GDP through increased agricultural production and productivity. These outcomes will be generated by increased private sector investment in supply of agricultural related goods and services, and agricultural production, processing and marketing. Increased private sector investment (output level results) in the agricultural and agri-food sectors will be made possible by the



enabling environment (input level) created by the deployment of a compendium of policy implementation instruments by appropriate government agencies.

CATSP Programmatic Framework: CATSP is organized into seven (7) sub-programs (SPs), 26 Investment Areas and 95 Policy Implementation Instruments. The sub programs are SP.1 Institutional Development and Program Management; SP.2 – Innovative Financial and Risk Sharing Facilities; SP.3 – Agriculture Marketing, Trade and Industry; SP.4 – Agriculture Research and Production Support; SP.5 – Infrastructure Development; SP.6 – Strengthening Emergency Preparedness & Response Mechanisms and Nutrition; and SP.7 – Sustainable Management of Natural Resources. Each SP consists of a certain number of Investment Areas (IA), and each IA consists of a certain number of Policy Implementation Instruments (PIIs). A cluster of Ministries, Provinces and other Spending Agencies (MPSAs) will be responsible for the deployment of this basket of PIIs.

Sub Program 1 – Institutional Development and Program Management: This SP comprises two investment areas and eight Policy Implementation Instruments. The two IAs are: IA.1.1 – Enhancing the coordination, efficiency and accountability of the public sector in delivering critical enabling results / (5 PIIs); IA.2 – Establishing and resourcing the Zambia Agriculture Transformation Trust Fund (ZATTF) / (3 PIIs).

Sub Program 2 – Innovative Financial and Risk Sharing Facilities: The focus of this sub-program is the rolling-out of the three pillars of the ZATTF, which make the three Investment Areas: IA.2.1 – Pillar 1, the Zambia Innovative Risk Sharing for Agriculture Transformation (ZIRSAT), with two PIIs for establishing and rolling-out four ZIRSAT facilities; IA.2.2 – Pillar 2, the Zambia Innovative Financial Services for Agriculture Transformation (ZIFSAT), with two PIIs for establishing and rolling-out seven ZIFSAT facilities; and IA.2.3 - Pillar 3, the Zambia Innovative Non-Financial Services for Agriculture Transformation (ZINFSAT), with two PIIs for establishing and rolling-out 8 ZINFSAT facilities. In total six PIIs will be deployed to roll out 19 financial, risk sharing and non-financial facilities for the benefit of farmers and other value chain players.

Sub-Program 3 - Agricultural Marketing, Trade and Industry is concerned with aspects of agricultural marketing, trade and processing and comprises four investment areas under which, 14 PIIs will be deployed. The four IAs are: IA.3.1 - Market Intervention Schemes / (three PIIs); IA.3.2 - Food Safety and Quality/ (four PIIs); IA.3.3 - Enhancing the Agriculture Marketing and Trade Policy Environment / (Five PIIs); and IA.3.4 - Promoting Agri-food Processing / (two PIIs).



Sub-Program 4 – Agriculture Research and Production Support: Devoted to rolling-out the Public Sector’s decisive and innovative investments to enable the adaptation, development, and dissemination of technologies, for the production of crops, livestock and fisheries commodities, SP.4 consists of 8 IAs and 37 PIIs described for the Crops Sub-sector (Sub-Program 4A) and the Fisheries and Livestock Sub sectors (Sub-Program 4B). The eight IAs are: IA.4.1 – Promoting the adaptation, development and dissemination of Climate Smart Agriculture (CSA) technologies – (four PIIs); IA.4.2 Adaptation, development and dissemination of other technologies and practices – (four PIIs); IA.4.3– Promoting private and public extension services for crops, livestock and fisheries sub sectors / (two PII); IA.4.4 – Promoting youth’ skill-based training / (four PIIs); IA.4.5 – Promoting the Production and Supply of Improved Genetic Resources / (eight PIIs); IA.4.6 – Promoting the Supply of Mechanization Equipment / (Six PIIs); IA.4.7 – Spatial Development Initiatives (SDIs) / (five PIIs, including farm blocks, agriculture corridors); and IA.4.8 – Enabling production and supply of safe and quality inputs for crops, livestock production and fish farming / (four PIIs).

Sub-Program 5 – Infrastructure Development. Under SP 5, the CATSP will promote development of infrastructure that will support agricultural production, marketing and trade. The sub program has three (3) investment areas consisting of six PIIs: IA.5.1 – Promoting the development of irrigation infrastructure / (two PIIs); IA.5.2 – Developing Feeder Roads and Market Infrastructure / (two PIIs); and IA.5.3 – Trade Facilitation Infrastructure Development / (two PIIs).

Sub-Program 6 – Strengthening Emergency Preparedness and Response Mechanisms. Under SP.6, 18 PIIs will be deployed through four Investment Areas: IA.6.1 – Emergency Preparedness / (seven PIIs); IA.6.2 – Emergency Response / (four PIIs); IA.6.3 – Social Protection Schemes / (three PIIs); and IA. 6.4 – Promoting Nutrition Sensitive Agri-food Systems (four PIIs).

Sub-Program 7 – Sustainable Management of Natural Resources. In total 6 PIIs will be rolled-out through two Investment Areas: IA.7.1 – Conservation and Sustainable Use of Natural Resources / (Four PIIs); and IA.7.2 – Promoting the Use of Water and Energy Efficient Practices / (two PIIs).

Institutional Arrangements – Oversight, Coordination, Performance Monitoring and Policy Dialogues. The **oversight responsibility** of the CATSP will lie with the High Council for Agricultural Transformation (HCAT) chaired by the Minister in charge of Finance. The HCAT will be supported by the CATSP Steering Committee (CSC) chaired by the Secretary to the Cabinet. The Presidential Delivery Unit



(PDU) and the Zambia Agricultural and Rural Economy Transformation Agency (ZARETA) will be the Secretariats of the HCAT and CSC respectively. The day-to-day coordination of the Program will be the responsibility of ZARETA. At sub program level, the **coordination of CATSP** interventions will be the responsibility of Cluster Lead Ministries (CL) selected from among the cluster of ministries responsible for implementing respective sub programs. The coordination of the program at provincial and district levels will be achieved through the existing Provincial Development Coordinating Committees (PDCCs) and District Development Coordinating Committees (DDCCs).

Performance monitoring: will be achieved with the aid of the Planning, Monitoring and Evaluation System that will be developed as part of the CATSP Accountability System and will be conducted regularly to ensure that the right measures are deployed on time as planned and utilization of funds disbursed towards deployment of the policy measures are neither misapplied nor misappropriated. The **evaluation** of CATSP will be conducted regularly to ensure that the PIIs deployed by MPSAs lead to the achievement of both output and outcome level results as envisaged in the **Theory of Change**. CATSP provides for platforms that support regular **policy dialogue** among stakeholders. These policy dialogues will inform and be informed by the regular policy reviews and will take place at district, provincial and national levels.

The purpose of the policy dialogues will be to ensure that CATSP Policy Measures and those policy measures that affect the effectiveness of CATSP remain relevant and effective.

Budget: The CATSP Budget is estimated at USD 5.7 billion (approximately K113.8 billion) and is based on the costing of all the measures to be deployed under all the Policy Implementation Instruments. The management of the budget will be supported by the measures under the CATSP Accountability System developed as part of the Program to ensure full accountability for financial resources and implementation.







INTRODUCTION

The Comprehensive Agriculture Transformation Support Program (CATSP) is designed to translate into action the will and commitment of the Government of the Republic of Zambia (GRZ) to implement an agriculture transformation policy. The implementation of this agriculture transformation policy is based on the deployment of a compendium of policy instruments inspired by the lessons learned from experiences on a global scale, but also in Africa and Zambia.

This Plan is structured in five (5) main chapters. Chapter 1 is devoted to analyzing the context. It deals with topics such as the population and poverty levels, the overall economic trends, the agriculture sector's contribution to the economy, opportunities, constraints, enabling environment issues and the lessons learnt. In Chapter 2, the CATSP strategic framework is presented: the vision, the scope of the sector and CATSP, the strategic approach, the commodity focus, and smallholders' aggregation; the Theory of Change, and the results framework. Chapter 3 outlines the description of the seven sub-programs, which consist of 26 investment areas and 95 policy implementation instruments. Chapter 4 deals with the institutional arrangements for the implementation: the steering; the coordination arrangements (planning, monitoring and evaluation, and fiduciary management); and policy dialogue. Finally, chapter 5 presents the budget structure, a key feature of the quality of the policy.

A series of 9 annexes complement the Plan. This includes: the results framework, the compendium of policy implementation instruments; proposal for Value Chain Development Plan Agreements and Agricultural Aggregation Alliances (VCDPAs – 3As), the detailed budget, proposal for establishing the Zambia Agriculture Transformation Trust Fund (ZATTF), the Action Plan for the launching year 2024, the resource mobilization strategy for the fund, the proposal for CATSP and ZATTF legislative framework and the CATSP policy brief.



CONTEXT ANALYSIS

1.0 CONTEXT ANALYSIS

1.1 POPULATION AND POVERTY LEVELS

1.1.1 Population by gender and age

Population. According to the results of the 2022 Census of Population and Housing, Zambia's population stood at 19.6 million. Of the total population, 9.6 million or 49 percent are male while 10 million or 51 percent are female. Rural and urban population stood at 11.8 million or 60 percent and 7.9 million or 40 percent, respectively. The Zambian youth population is estimated at 80 percent. The high youth population has been attributed to the high annual population growth, which over the period 2010 to 2022 averaged 3.4 percent.

1.1.2 Poverty levels and income inequalities

Poverty Levels. According to the 8NDP, Zambia still ranks among the countries with high incidences of poverty and inequality in Africa and globally. This is despite several interventions made in education and skills development, health, water and sanitation, job creation and empowerment of citizens. Poverty levels in the period 2015-2022 increased by 10.3 percentage points to 60 percent from 54.4 percent. Analysis by rural-urban residence indicates that poverty in rural areas remained higher at 78.8 percent compared to 31.9 percent in urban areas as of 2022. The 2022 Food Basket was valued at ZMW336.73 per Adult Equivalent (AE) with individuals whose consumption was less than the cost of the food basket increasing from 40.8 percent in 2015 to 48 percent in 2022 of the total population. Furthermore, 65.1 and 22.4 percent of the households in rural and urban areas, respectively, were not able to meet the cost of the basic food basket. Higher extreme poverty rates of more than 60 percent were recorded among households headed by persons involved in farming/fishing/ forestry activities. Therefore, agricultural development has the potential to impact on extreme poverty and hunger, which mostly affects the rural population.

Income Inequality: Income inequalities are higher in rural areas than in urban areas. According to the 2015 Living Conditions Monitoring Survey Report, the overall income inequality as measured by the Gini Coefficient increased from 0.65 in 2010 to 0.69 in 2015.



In the rural areas, the level of income inequality remained relatively the same at 0.60 while in urban areas there was a minimal increase in income inequality from 0.60 in 2010 to 0.61 in 2015. While the poorest 50% of households accounted for only 7.3% of total income, the richest 10% of the households accounted for 56% of total income in 2015. The average per capita income for rural areas was ZMW185.90 while that of urban areas was ZMW796.40. Male headed households earned mean monthly income of ZMW1,928, while female headed households earned mean monthly income of ZMW1,377.60.

1.2 Overall economic trends

This section summarises the economic trends over the ten-year period 2014 to 2023 focusing on selected macroeconomic and financial indicators: GDP growth rate, average Inflation, average exchange rate, total public debt as percentage of GDP and Commercial Bank Lending Rates. Data obtained from the Bank of Zambia shows that over the review period, Zambia's GDP grew at an average rate of 3.28 percent with the highest rate of 5.4 percent registered in 2023 and the lowest rate of negative 2.8 percent recorded in 2020. Over the same period, inflation assumed an upward trend increasing from 7 percent in 2014 to 10.9 percent in 2023. The average exchange rate also rose from K6.38 per US Dollar in 2014 to K20.23 per US Dollar in 2023. Further, over the period under review, total public debt as a percentage of GDP rose from 33.86 percent of GDP in 2014 to 115.23 percent in 2023. Commercial Bank Lending Rates also rose from 20.5 percent in 2014 to 26.6 percent in 2023 mainly due to the upward adjustment in the Monetary Policy Rate and statutory reserve ratio.

1.3 Sector's contribution to the economy

1.3.1 Zambia's manufacturing sector is predominantly agro based.

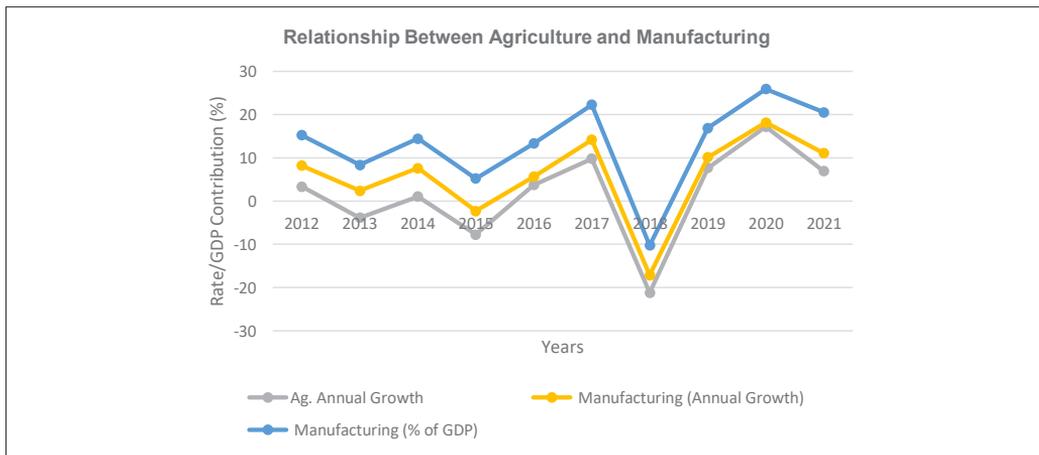
Agriculture plays a pivotal role in fostering Zambia's socio-economic development. The sector guarantees household and national food and nutrition security, is a major source of income for both rural and urban households and provides employment and wealth creation opportunities. The sector accounts for 51 percent of Zambia's labour force.

Over 50 percent of the Zambian population depends on agriculture for their food, primarily through smallholder production. Agriculture is also the main source of raw materials for the manufacturing and food processing sectors, hence



offering additional job opportunities, especially for women and youth, through downstream industries. The analysis of data on agricultural and manufacturing annual growth, and the contribution of manufacturing to GDP shows a high correlation between agricultural and manufacturing performance (Figure 1). This is because the Zambian manufacturing sector is predominantly agro based. Thus, improvements in the performance of agriculture will result in the enhanced performance of the manufacturing sector and the latter's contribution to GDP.

Figure 1: Relationship between Performance of Agriculture and Manufacturing Sectors



Source – Compiled from data obtained from MoFNP Annual Economic Reports, Bank of Zambia and World Bank

1.3.2 Commodities produced, consumed and exported

Crops Sub-sector Commodities: The commodities produced in the Crops Sub-sector include: maize (for grain, seed, silage, and green maize), wheat, sorghum, rice, millet, sunflower, groundnuts, soyabeans, seed cotton, irish potatoes, virginia tobacco, burley tobacco, mixed beans, bambara nuts, cowpeas, velvet beans, sweet potatoes, cassava, cashew nut, paprika, chilies, etc. Varieties of fruit trees grown are either exotic or indigenous; they include mango, papaya, bananas, guava, passion fruit, loquat, pineapple, avocado, macadamia, citrus, apple, blue berries, strawberries, peach, pomegranate, apricot, plum, grapes, palm trees, etc. In terms of vegetables, more than 175 different species have been documented as local vegetables in Zambia (Johansson 1989; Ogle et al. 1990). Among the more prominent species are *Amaranthus* spp. (Ibondwe), *Cleome* spp. (Lengalenga), *Corchorus* spp. (Kalembe katali), *Disa satiria*,





Solanum aethiopicum/macrocarpon (Impwa), *Ipomoea* spp. (Kalembula or sweet potato leaves), cassava leaves (Katapa), *Zanthoxylum chalybeum*, various cucurbits (Cibwabwa) and *Ceratotheca sesamoides* (Umulembwe).

Livestock Sub-sector commodities. Livestock and livestock products include: cattle, goats, pigs, dairy, village chickens, broiler chickens (table birds), and egg producing chickens (layers). Other products include chevon, pork, mutton and beef.

Fisheries and Aquaculture Sub-sector commodities. Fisheries and aquaculture commodities include Tilapia, Kapenta, Cisense, Catfishes, Buka buka fish, Ncengas, Tigerfish and Aqua-fish feed.

Crops Production. Production of sampled commodities is provided in Table 1.





Table 1: Production Trends of Commodities used in the determination of the Food Balance Sheet

CROPS	PRODUCTION OF COMMODITIES THAT ARE USED IN THE FOOD BALANCE SHEET									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Maize	3,350,671.37	2,618,221.15	2,873,052.00	3,606,549.00	2,394,904.00	2,004,389.00	3,387,469.57	3,620,243.90	2,706,243	3,261,686
Paddy Rice	49,639.63	25,513.75	26,675.00	38,423.00	43,063.00	29,584.00	34,629.66	65,875.83	62,280	62,680
Wheat	201,504.13	214,229.49	159,534.00	193,713.00	114,436.00	151,244.00	191,619.80	191,619.80	234,925	277,492
Sorghum	11,557.42	8,123.24	14,107.00	13,130.00	13,130.00	23,456.00	20,011.04	20,011.04	14,843	6,836
Millet	30,504.46	31,966.63	29,973.00	32,566.00	32,278.00	24,843.00	45,004.63	45,004.63	24,224	46,753
Sweet Potatoes	150,157.97	118,330.23	231,882.00	206,676.00	183,280.00	113,185.00	144,706.31	144,706.31	132,442	234,631
Irish Potatoes	33,832.60	45,901.83	24,428.08	31,750.00	13,546.00	52,553.00	79,979.75	79,979.75	52,372	65,082
Cassava	919,496.70	952,846.86	854,392.95	923,795.40	1,025,575.39	1,009,146.00	1,028,656.38	1,028,656.38	3,497,601	4,450,019

Source: Ministry of Agriculture, Food Balance Sheet Reports



Livestock production: Livestock population as of December 2023 is provided in the table below.

Table 2: Livestock Population as at 31st December 2023

Type of Livestock	December 2023
Cattle	4,839,941
Beef cattle	4,389,920
Dairy cattle	450,021
Sheep	264,729
Goats	4,548,542
Pigs	1,167,807
Chickens	31,824,758
Pigeons	1,227,474
Quails	197,534
Guinea Fowls	905,995
Turkeys	99,486
Ducks	988,443

Source: Ministry of Fisheries and Livestock



Livestock Product trends are provided in the table below.

Table 3: Livestock Products Trends 2022 – 2023

Type of Product	Jan – Dec 2022	Jan – Dec 2023	% Change 2023/2022
Beef (MT)	76,000.0	76,256.0	0.3
Milk (L)	90,787,291.0	93,600,000.0	3.1
Mutton (MT)	121.0	123.0	1.7
Chickens (MT)	177,982.5	178,517.2	0.3
Chicken Eggs (each)	1,100,000,000	1,103,300,000	0.3
Chevon (MT)	5,196.4	5,450.4	4.9
Pork (MT)	13,480.3	13,886.7	3.0

Source: Ministry of Fisheries and Livestock

Fish Production Trends: Aquaculture production increased from 10291 metric tons in 2010 to 63,418 metric tons in 2021. Fish production from capture fisheries increased from 76,396 metric tons in 2010 to 95,625 metric tons in 2021.



Consumption: Zambia's domestic human consumption of foods in the National Food Balance Sheet increased from 2,655,755 Mt in 2014 to 3,567,349 Mt in 2023. Total fish consumption increased from 213,592 Mt in 2016 to 278,209 Mt in 2023.

Poultry constitutes 50% while beef constitutes 28% of all meats consumed in Zambia. FAO (2016) estimates that meat and fish consumption in Sub-Saharan Africa will increase by approximately 28% exclusively due to population growth.

Exports: The Crops Sub-sector exports decreased from US\$ 390,416,735.00 in 2013 to US\$ 292,532,537.00 in 2022. For the Livestock sub-sector, exports increased from US\$ 68,260,605.00 in 2013 to US\$ 86,194,702.00 in 2022 while for the Fisheries Sub-sector, exports increased from US\$2,131,923.00 in 2013 to US\$ 7,142,046.00 in 2022.

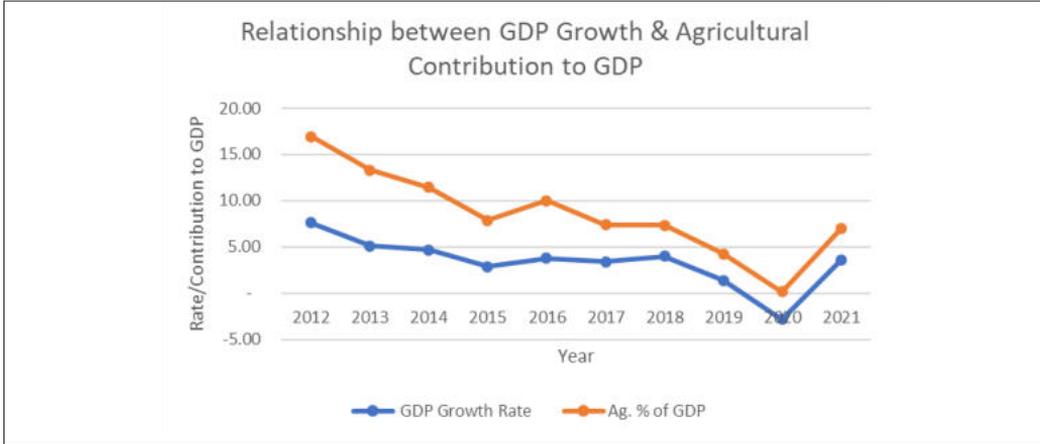
Imports: The Crops Sub-sector imports increased from US\$ 151,990,316 in 2013 to US\$ 212,491,881 in 2021 but decreased to US\$172,622,877 in 2022. For the Livestock Sub-sector, imports increased from US\$ 55,564,461 in 2013 to US\$ 81,283,481 in 2021 but decreased to US\$80,941,510.68 in 2022. while for the Fisheries Sub-sector, imports increased from US\$51,488,424 in 2013 to US\$ 292,532,537 in 2022.

1.3.3 Contribution to GDP and employment

The contribution of agriculture to GDP growth has shrunk over the years decreasing from 9.3 percent in 2012 to 3.4 percent in 2021. Annual GDP growth has assumed a similar pattern to that of sector's contribution to GDP as shown in Figure 2 below. The positive correlation between GDP growth and agricultural contribution to GDP exhibited in Figure 2 is indicative of the dependency of the Zambian economy on the agricultural sector. Combined, the Crops and Livestock sub-sectors' percentage contribution to national GDP decreased from 7.3% in 2013 to 1.9% in 2021 while that of the Fisheries sub-sector increased from 0.29% in 2013 to 0.61% in 2021. The trends in the percentage contribution of each sub-sector to the Agricultural Sector's GDP are provided in the figure below. The declining trends are mostly due to climatic changes. (IAPRI, 2021, pp. 11-12).

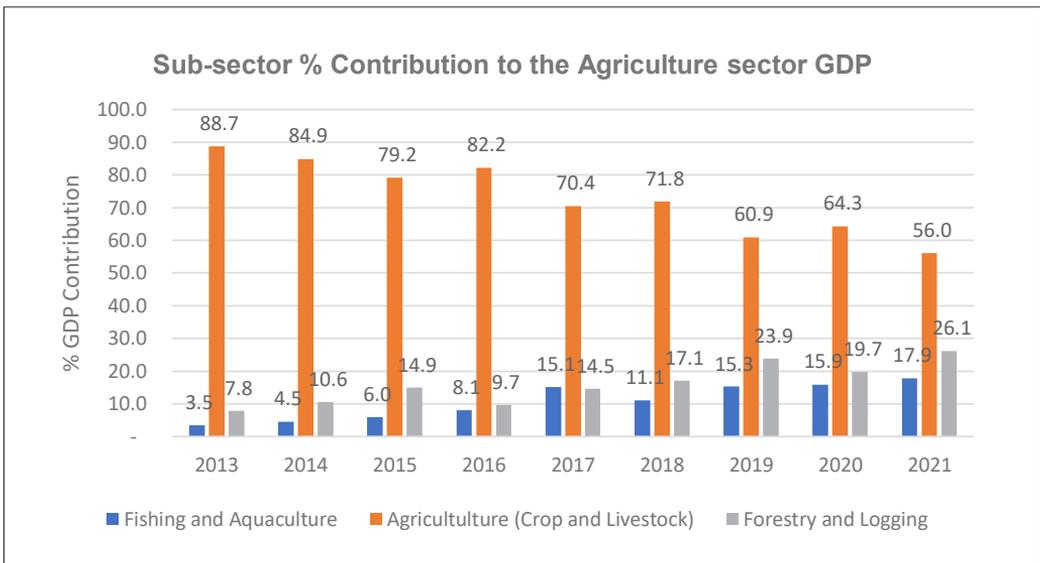


Figure 2: Relationship Between GDP Annual Growth Ag Contribution to GDP



Source: Compiled from data obtained from MoFNP Annual Economic Reports, Bank of Zambia and World Bank

Almost 72% of the Zambian population are engaged in agricultural activities, yet in 2021, the formal labor force in the sector was only 747,036 (23.6%) of national employed population of 3,164,748. Of those, 559,430 (74.87%) were employed in rural areas, comprised of 66.0% males and 34.0% females, while 187,606 (25.13%) of them were employed in urban areas, comprised of 63.8% males and 36.2% females.





1.3.4 Contribution to trade balance

The sector also contributes to Zambia's export earnings. Currently, agriculture accounts for approximately 29% of non-traditional exports (NTEs) and 7% of total national exports. Due to its significant socio-economic importance, the sector offers a robust pathway for fostering Zambia's envisioned diversified and inclusive national socio-economic transformation.

Food imports as a share of merchandise imports increased from 4.7% in 2010 to 9% in 2021. The crop sub-sector trade balance has been positive from 2013 to 2021. The Livestock sub-sector trade balance was only positive in 2013 at US\$12,696,144, US\$10,404,456 in 2014 and US\$5,253,192 in 2022 respectively. The lowest sub-sector trade balance was in 2015 at (US\$32,040,445) which improved to (US\$3,638,019) in 2021. The Fisheries Sub-sector trade balance has been negative, from 2013 to 2022 having from (US\$49,356,501) in 2013 to (US\$116,405,247) in 2022 with the lowest being lowest being (US\$125,259,423) in 2017. The quantity of exports for fish and fish products was 5,641.2 Mt valued at K135.8 million whilst import volumes were at 105,399.5 Mt valued K3,343.4 million in 2023.

1.3.5 Food and Nutrition Security

Food security is defined as a situation that exists when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life - (FAO).

Food Security. Generally, Zambia has been food self-sufficient based on production and consumption statistics used in determination of the national food balance sheet. The production trends for the commodities which are used in the determination of the national food balance sheet (maize, paddy rice, wheat, sorghum, millet, Irish potatoes, sweet potatoes, and cassava) are provided in Table 1. Over the period 2014 to 2023, production of maize, and Irish and sweet potatoes exceeded human consumption, while production of sorghum and millet production exceeded human consumption in all the years except in 2015. Over the same period, cassava production exceeded human consumption in all the years except in 2021 and 2022. During the period under review human consumption for rice and wheat exceeded production.

Incidence of malnutrition as a measure of nutrition security. The 2018 Zambia Demographic and Health Survey (ZDHS) report indicates that 35% of children under age 5 were stunted (too short for their age) out of 9,610 sampled, 4%



were wasted (too thin for their height) out of 9,593 sampled, while 12% were underweight (they weighed less than would be expected for their age) out of 9,690 sampled, and 5% were overweight (they weighed more than would be expected for their height). Stunting and underweight among children under age 5 decreased considerably between 1992 and 2018, from 46% to 35% and from 21% to 12%, respectively.

Over the same period, changes in wasting and overweight were minimal from 6% to 5% and from 5% to 4% respectively. The prevalence of stunting was higher among children in rural areas (36%) than among children in urban areas (32%). Stunting was higher in boys (38%) than in girls (31%).

The ZDHS also found that the prevalence of anemia in children aged 6-59 months was 58%, with 29% mildly anemic. The survey further found that 31% of women aged 15-49 were anemic, with 16% being mildly anemic, 14% being moderately anemic, and 1% being severely anemic.

1.4 Opportunities, constraints and issues

1.4.1 Sector opportunities.

Zambia enjoys a huge agriculture potential and a favorable demographic dynamic. It can also turn **some** of its weaknesses and challenges into opportunities.

A huge agricultural potential, still little exploited. Zambia has 75 million hectares (752,000 km²) of land, of which 58% (42 million hectares) is arable but only 10 – 15% under cultivation. Moreover, the country only utilizes about 200,000 hectares, out of the potential 2.75 million hectares available for irrigation.

Zambia receives about 160 billion cubic meters of rainfall water annually but only utilizes 60 billion cubic meters.

Favorable demographic dynamic. Youth and women have an opportunity to be involved in the entire agricultural value chain: primary production, agro processing; trading, and retailing in agro products; and tertiary segments - these include training and engagement in private agriculture extension services. Rapid population growth creates increased demand for food, need for growth in the agricultural sector, and creates an opportunity and need to promote climate-smart agricultural initiatives. The youthful population creates opportunities for a growing workforce, and access to, and availability of work, in a time of increasing



mechanization and volatility of the sector due to climate impacts. Urbanization creates a potential for improved rural-urban linkages within and between countries.

Increased access to primary and secondary education creates opportunities for improved capacity to adopt new agricultural technology and financial lending services, and potential increase in agricultural productivity. Increased consumption of animal products and refined foods creates opportunities for a larger market for meat production and processed foods, growth in the livestock and fisheries sub-sectors, and growth in the secondary and tertiary agricultural industries that women are responsible for food processing such as milling and grinding of cereals and drying of fish, creates high potential livelihood impact of improved food processing technology.

The good level of Information and communications technology (ICT) infrastructure creates an opportunity for producers to have improved access to climate, financial, market and agricultural information allowing for informed decision making.

Turning low access to energy into opportunity for renewable energy promotion. Low access to energy, particularly in rural areas (31.4% of households at national level, have access to electricity of which 67.3% are in urban areas and about 4.4% are in rural areas) has potential for promoting the availability and affordability of renewable energy options for farmers.

Climate Adaptation. Climate change is a major challenge. The agricultural sector is very vulnerable to climate change. At the same time, agriculture is the sector that contributes the most to greenhouse gas emission in Zambia after the energy sector. Zambia will use the CATSP to ensure that the agricultural sector contributes to a reduction in GHG emissions.

Opportunities to provide employment to the burgeoning youth population. Firstly, the high food prices (the Consumer Price Index - CPI): food and non-alcoholic beverages more than doubled for Zambia from 115.48 points in January 2012 to 296.10 points in December 2020) create high potential for reducing food price volatility through intraregional trade. Secondly, dependence on food imports implies a need for growth in the agricultural sector, and an opportunity and need to promote climate-smart agricultural initiatives. Thirdly, Zambia's political stability makes her attractive to Foreign Direct Investment (FDI) and regional policy focus on other sectors such as industrialization.



Fourthly, Zambia has access to AfCFTA, SADC and COMESA markets. Lastly, inadequate infrastructure development and coordination create an opportunity for the successful coordination in managing roads, water and energy which is essential to achieving Zambia's agricultural development goals.

Favourable climate and weather pattern. Zambia's climate comprises three major agro-ecological regions, with Region I receiving less than 800mm of rain annually, Region II between 800 and 1,000mm and Region III between 1,000 and 1,500 mm of rain. Temperatures range between 18 and 26 degrees centigrade. The seasonal rainfall provides an opportunity for availability of renewable surface and groundwater resources annually. Opportunities for groundwater use for agricultural purposes are available especially for areas which are far from rivers but are underlain with good arable land

1.4.2 Critical sector constraints

Low production and productivity result from a number of factors, including: (1) high cost of key agricultural inputs for crop, livestock and fisheries production. Such high costs lead to low application and adulteration of inputs; (2) labor constraints for cultivation, planting, weeding and harvesting coupled with low levels of mechanization which results in inadequate land under cultivation; (3) stagnated cultivated land by majority small-scale farmers, coupled with labor constraints and input constraints; (4) poor land husbandry practices (employ unsustainable farming methods) which lead to depletion of natural resources and soil degradation; (5) land subdivision into small holdings which are not economical, as a result of rising population, which impede mechanization and result in reduction of fallow periods and continuous cultivation; this leads to rapid depletion of soil nutrients, declining yields and environmental degradation; (6) erosion of indigenous and plant genetic resources.

Other production related factors responsible for low agricultural productivity and hence low production are: (7) high dependence on rain-fed agriculture coupled with low levels of irrigation; (8) inadequate veterinary services and extension services; (9) inadequate in-service training for front line staff; (10) low investment in agricultural research and development (R&D) in areas of breeding, nutrition and genetics, and uptake of research results; (11) poor linkages between research and extension; research themes are not determined by value chain players' needs; (12) limited technological development and utilization of technology in information management system for improved extension service delivery to farmers, climate change adaptation and resilience, monitoring and



evaluation (M&E), financial management, and early warning systems; (13) low resilience to climate changes and disaster risk reduction; and (14) inadequate and/or dilapidated agriculture training institutions infrastructure.

Limited access to and availability of agricultural finance and credit facilities:

Limited access to and availability of finance severely limits farmers' (especially smallholder farmers') and SMEs' capacity to invest in working capital (agricultural inputs) and capital investments. This constrains farmers' productivity capacity and uptake of technologies and innovations. Farmers' low access to finance is compounded by lack of land rights/land tenure security and, therefore, lack of collateral as most formal providers of finance require collateral to secure their loans.

Inefficiencies in input and commodity marketing caused by the following: (1) inadequate road infrastructure to support agriculture growth; (2) inadequate markets and marketing infrastructure to take advantage of the regional and international markets; (3) inadequate Information Management System for all sub-sectors for a desired M&E system for improved decision making by stakeholders, improved coordination and accountability; (4) inadequate storage facilities and post-harvest technologies, especially for perishable commodities; such as fish, dairy products, beef and vegetables; (5) Inadequate regulatory framework to meet sanitary and phytosanitary (SPS) standards required to access local and export markets; (6) poorly organized and managed marketing systems which do not enable collective marketing mechanisms for enhanced bargaining power (economies of scale); (7) inadequate access to financial services for infrastructure development and procurement of equipment; (8) high pre and post-harvest losses; (9) low participation of women, youth and persons with disabilities.

Inadequate Storage Facilities for perishable and non-perishable commodities leads to high post-harvest losses and inability by producers to store for better prices.

Limited value addition and processing due to: (1) inadequate access to capital incentives such as loans, guarantees and other facilities, for investment in process and value addition mechanization/machinery/equipment; (2) limited technological and business management/marketing skills; and (3) inadequate processing and value addition facilities.



Limited agriculture growth support systems. These include: (1) inadequate and skewed budgetary allocation; (2) inadequate enforcement of some legal and regulatory frameworks; (3) Limited private sector investment and participation at different levels in the commodity value chains; (4) high-risk exposure for various players in the value chains (especially producers) resulting from inadequate insurance services; (5) inadequate surveillance and early warning systems for disease outbreaks; (6) low access to energy: Inadequate rural electrification leads to reduced investment especially in cold storage facilities, irrigation and processing of farm produce; (7) Weak collaboration between the Government and the Stakeholders in the Agriculture sector; and (8) inadequate systems to ensure mutual accountability: inadequate joint monitoring to review achievements of results in the sector

1.4.3 Enabling environment issues

Update of Laws under the Crops Sub-sector. Due to changes in the crop subsector, there is need to review and replace some of the laws and regulations to align them to the current dynamics that have taken place over the years. Those which have been prioritized by the crops sub-sector for replacement include: (1) The Plant, Pest and Diseases Act No. 13 of 1994; (2) the Plant Breeders' Act No. 18 of 2007; (3) the Fertilizer and Feed Act No. 13 of 1994; (4) the Cotton Act No. 21 of 2005; (5) the Agricultural Credit Act No. 35 of 2010; (6) the Agricultural Land Act No. 12 of 1995; (7) the Food Reserve Act No. 6 of 2020; and (8) the Agricultural Marketing Bill.

Efficient Water permitting and regulatory framework. The Water Resources Management Authority (WARMA), established by the Water Resource Management Act No. 21 of 2011, runs a stringent regulatory system to ensure equitable access to water resources among all the competing users and this is an opportunity for safe investment for agricultural production.

Update of Laws under the Livestock Sub-sector: A number of acts in the livestock subsector need to be reviewed in order to incorporate new developments in the subsector. The acts that are currently being developed and reviewed include: (1) the Animal Health Act No 27 of 2010, (2) Livestock Development Act under consideration; the Animal identification act No. 28 of 2010 (3) 4; the Veterinary and Veterinary para professional Act No. 45 of 2010; (5) Animal Feed regulation. The Animal Health Policy, Fisheries and Livestock Marketing Strategy are under consideration.



Update of Laws and Policies under the Fisheries Sub-sector Currently *Formulation, manufacture, distribution, and importation and exportation of stock and aqua feed* is governed by various pieces of legislation which include: The Animal Health Act No. 20 of 2010, ZABS Standards Act No.4 of 2017, Agriculture (Farm Feeds Regulations SI No. 197 of 1970, Environmental Management Act No.12 of 2011, Factories Act Chapter 441 of the Laws of Zambia and Zambia Consumer Protection Act No. 24 of 2010.

However, there is need to be re-aligned and ensure they include the gaps identified in aqua feed value chain as it relates to fisheries and aquaculture as listed below, which are not covered in any existing laws and regulations: (1) fish feed storage and handling of feed ingredients and finished goods; (2) packaging and labelling; (3) warehousing and transportation; and (4) plant cleanliness and workers' safety. The sector will review the fisheries regulations of 2012 to incorporate the following: (1) *Chemical (Drugs) use in fisheries and aquaculture*. There are no regulations specific to fisheries and aquaculture on the control or use of authorized antibiotics, drugs, hormones (Andrea, Methyl testosterone for sex reversals), therapeutic agents or other chemical substances in fisheries and aquaculture. (2) *Food Safety*. There is need to realign the current food inspection programs and food certification systems in various government ministries and agencies to include issues in fisheries and aquaculture. (3) *Illegal, Unregulated and Unreported (IUU) fishing*. There is need to strengthen the regulatory framework to curb IUU fishing. (4) *Management of fish breeding areas (Fisheries reserves)*. There is need to amend the Fisheries Act No. 22 of 2011, so that each commercial fishery area has gazetted prescribed fisheries reserves or fish protected areas and management strengthened in already gazetted areas. (5) *Aquaculture High Potential Zones (AHPZ)*. Government developed the National Aquaculture Strategy which identified Aquaculture High Potential Zones (AHPZ) in Zambia and resulted in the establishment of five (5) Aquaculture parks with support of collaborating partners. However, there is no regulatory framework for their establishment and operation which makes their development slow with low private sector participation, and lack of awareness by aquaculture farmers. (6) *National Fisheries and Aquaculture Policy 2022* was approved and launched on the 6th June 2023 by Cabinet Office.

1.5 Lessons learnt

Critical lessons learned from the Zambia NAIP I are: (1) clearly spell-out the policy measures that the public sector will deploy to enable investment by the



private sector (farmers and firms, bankers, insurers...); (2) effectively coordinate all MPSAs in the public sector that will be responsible to deploy these measures; (3) implement specific value chain schemes for each priority commodity, jointly by the public sector represented by concerned MPSAs, and the concerned industry association representing the private sector; and for (4) a bold commitment of the players at the highest level in the public sector (Presidency, Ministry of Finance and National Planning, Ministry of Trade, Commerce and Industry, Bank of Zambia, Zambia Development Agency (ZDA) to ensure not only the effective financing of the incentive measures, but also the mobilization and the coordination of the players, as well as the good governance of the sector.

Lessons Learnt from other countries: A number of countries, including Nigeria, Morocco, Eswatini... have created a Fund financed by Government specifically to facilitate the implementation of the NAIP which provides loans to the agriculture sector at lower interest rates. An agency is created to manage the implementation of the Fund. Legally binding value chain development plan agreements (VCDPA) per commodity are developed which spell out the role of Government and the private sector. Along with these commodity schemes (VCDPAs) Agriculture Aggregation Alliances are also promoted as a means for ensuring the inclusion of smallholders, including women and youth, into organized and market-oriented supply chains. Many countries, including Rwanda, recognize the NAIP as the only policy document which governs implementation of the agriculture sector interventions which is observed by all stakeholders. Scheduled joint monitoring of the performance of the NAIP by all relevant stakeholders is in place.

This has promoted coordination and mutual accountability as well as created ownership of NAIP by all stakeholders. Other successful countries prepare the NAIP before the National Development Plans (NDPs) so that the whole NAIP budget can be incorporated in the NDP and enable the justification of the contribution of the NAIP to all pillars of the NDP which enhances resource mobilization for the sector.





STRATEGIC FRAMEWORK

2.0 STRATEGIC FRAMEWORK

2.1 Vision of the Government of the Republic of Zambia

The vision of the Government is to **transform** the agriculture sector, by **deploying a compendium of comprehensive policy implementation instruments**, in order to **accelerate inclusive economic growth and end hunger and under nutrition**.

2.2 Scope of the CATSP

The scope of the sector encompasses the crop, livestock, and fisheries sub-sectors, the trading and commerce of agriculture commodities, the emergency preparedness and response system, the environmental and social safeguard, the management of lands and renewable natural resources, and the security of land tenure. Through an innovative accountability system, GRZ will ensure that all MPSAs responsible to deploy policy measures in these areas, are mobilized to contribute to the CATSP implementation.

2.3 Strategic Approach

To translate its vision into action, GRZ has set the seven (7) strategic priorities below.

STRATEGIC PRIORITY

01

Confine and strengthen the public sector in its role of creating an enabling environment for agriculture. GRZ will ensure that all MPSAs focus on their enabling functions, and avoid any distortive interventions. In consultation with the private sector players, the Government will design and deploy the basket of required policy measures, in order to make the business climate for agriculture, more conducive for farmers (small, medium, large) and enterprises.

STRATEGIC PRIORITY

02

Enhance the quality of public expenditure in agriculture. GRZ is committed to reforming the budget and the public expenditure system, to ensure that relevant MPSAs effectively deploy required policy implementation instruments and are kept accountable. Public expenditure in the sector will shift to policy measures that leverage private sector investments.



STRATEGIC
PRIORITY

03

Promote inclusive local supply chains across the country.

For each priority commodity, GRZ will institutionalize the preparation and implementation of value chain development plan agreement (VCDPAs), in partnership with industry associations, along with the promotion of agriculture aggregation alliances (3As), as the mechanism for the inclusion of the vulnerable (smallholders, youth and women). See Sections 2.4.2 and 2.4.3 below.

STRATEGIC
PRIORITY

04

Expand private sector's access to financial services.

Capitalizing on lessons from the global level, the Government is committed to establish and resource a private sector led Trust Fund, to deliver risk sharing, differentiated credit and technical assistance (non-financial) services to value chain players, in the crops, livestock and fisheries sub-sectors.

STRATEGIC
PRIORITY

05

Upgrade infrastructure for production, processing and trading.

GRZ will partner with the private sector to ensure that infrastructure that is critical for the production, processing and trading of crops, livestock and fisheries commodities, is developed and operated in a profitable and sustainable way.

STRATEGIC
PRIORITY

06

Increase investment for research and enhance the uptake of technologies.

For that purpose, the Government is committed to increase and enhance the quality of investments in research and dissemination of technologies, as well as quality control. Basically, priority will be given to research topics demanded by value chain role players' industry associations.

STRATEGIC
PRIORITY

07

Promote land tenure security, as well as social and environmental safeguards.

The Government will invest to enhance the emergency preparedness and response system, ensure social protection, and promote land tenure security and sound management of the Zambian ecological basis.



2.4 Commodity Focus and smallholder's aggregation

2.4.1 Commodity prioritization

Progressive prioritization and target setting. The selection of the priority commodities conjugates criteria such as potential for nutrition, self-sufficiency, job creation, import substitution, export, gender balance, etc. Through the VCDPAs (see Section 2.4.2 below) CATSP provides a framework for establishing successive batches of commodities and setting-up ambitious targets. As indication the first batch of priority commodities includes: (1) for crops- maize, soybean, and wheat; (2) for tree crops-avocado and macadamia; (3) for vegetables- Irish potatoes and onions; (4) for livestock- beef, dairy and poultry; and (5) for aquaculture- tilapia and catfish. The indicative targets set for maize, soybean, wheat, beef, poultry and aquaculture are presented below. These targets will be reviewed during the preparation of the respective VCDPAs in 2024.

Target for maize. To double small-scale farmer yields from the current average of 2 Mt/Ha to 4 MT/Ha by 2028; to increase annual production from the current average of 3 million metric tons to at least 10 million metric tons by 2028.

Target for wheat. To increase annual production from 400,000 metric tons to one (1) million metric tons by 2028 and increase exports to regional markets.

Targets for soyabean. To increase annual Soyabean production from 475,000 metric tons in 2023, to 1.0 million MT by 2028. Smallholder farmers' yields shall improve from 0.79 tons/ha to 1.55tons/ha; and commercial farmers' yields from 2.76 tons/ha to at least 3.2 tons/ha. Crushing capacity shall increase significantly.

Targets for beef. To increase the national herd from 4,698,972 in 2022 to 7 million by 2028; and to expand processing capacity for slaughtering from 845,814 animals to 1,159,311 by 2028.

Target for poultry. To increase broiler population from 89, 376, 716 in 2022 to 154, 163 216 by 2028; and increase per capita consumption from the current 8Kg to 20 Kg.

Target for aquaculture. To increase annual aquaculture production from 75,647 metric tons in 2022 to at least 135,490 metric tons in 2028; the number of fingerlings produced annually from 307,040,000 in 2022 to at least 521,636,500 in 2028; and the annual production of fish feed from in 456,000 metric tons in 2022 to at least 782,455 in 2028.



The targets for the other commodities mentioned above will be set during the preparation of the respective VCDPAs in 2024.

2.4.2 Commodity Value Chain Development Plan Agreements (VCDPA)

CATSP's end results will be achieved through the implementation of commodity schemes in the crop, livestock, and fisheries sub sectors.

For that purpose, the Government is committed to institutionalize the preparation and implementation of a Value Chain Development Plan Agreement, for each priority commodity, in joint venture between the Government and the concerned industry associations.

Promotion of Industry Associations. For each priority commodity, the Government will promote the establishment and/or capacity enhancement of industry associations representative all value chain players : farmers (small, medium and large), input dealers, aggregators, processors, financing institutions, researchers, etc.

Preparation, signing and implementation of VCDPAs. Each VCDPA will specify: (1) the expected outcome results (e.g., productivity; production volume; value addition, per capita consumption; exports volume, import substitution volume; decent employments; farmers revenues...); (2) the required level of investments that the value chain role players commitments to realize at farm and firm levels; (3) the enabling measures that the Government commits to rollout to incentivize the value chain role players; and (4) the arrangements for performance monitoring and the settlement of disputes.

Each VCDPA will be signed by the Government represented by the Ministry of Finance and National Planning (MoFNP), and other relevant MPSAs on the one side, and the Industry Association representing the value chain role players on the other.

2.4.3 Institutionalization of the smallholder's aggregation

The Government is committed to institutionalize the aggregation of smallholder farmers (aggregates), with priority given to the youth, women, and persons with disability (PWD), as a means to promote inclusivity and shared growth. As an indication, the regulation will frame the following dimensions: the respective statutes of aggregator and aggregatees; the procedures for the recognition of an agriculture aggregation alliance (3A) between an aggregator and aggregatees, by



the State; such a 3A is an inclusive supply chain driven by the aggregator; the state's support to an agriculture aggregation alliance; the contractual arrangements governing the business relationship between aggregator, aggregatees and other key value chain role players.

2.5 Theory of change

Overview. CATSP's end results derive from the 8th NDP: increased productivity and production; reduced imports, increased export; increased contribution to GDP; enhance food and nutritional security; increased creation of jobs. These results are generated by the private sector, i.e., farmers (small, medium, and large), through their investments into up taking technologies (inputs, equipment, knowledge) for production, processing, and trading. To enable the private sector to increase their investments to the required level, the Government will deploy a comprehensive compendium of policy implementation instruments. For that purpose, the Government will reform the budget and roll-out a public expenditure accountability system to ensure relevant MPSAs are engaged to play their respective roles, while establishing and resourcing a private sector led Trust Fund to enable value chain players access to financial and non-financial services. CATSP outcome, output and input results deriving from this cause to effect link, are presented below, and further detailed in Annex 1.

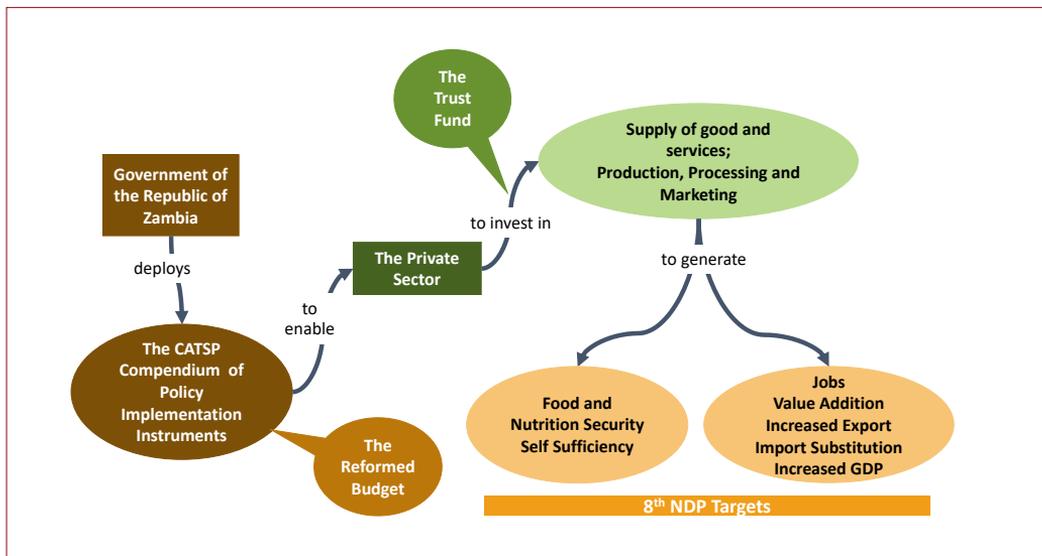


Figure 3 – The CATSP Theory of Change





CATSP beneficiaries. The rural communities, and the entire Zambian population in general will benefit from CATSP by accessing quantity and quality food at a competitive price. Farmers (small, medium and large) and firms (including micro, small and medium enterprises run by the youth) active in the agriculture and food systems will enjoy a more conducive business climate for agriculture, uptake technologies, produce, trade and improve their revenues. At a micro-economic level, the country will enjoy increased agriculture GDP, increased decent employment and improved trade balance.

CATSP's Expected Outcome Result is 'increased agriculture sector's contribution to economic growth, wealth creation and social welfare.' The following are the indicators that will be used to measure this outcome result: Increased productivity; Increased production; Increased value addition; reduction in post-harvest losses, increased food exports; food imports substitution; favorable trade balance; decent employment; increased agriculture contribution to GDP; Agricultural sector growth; and food and nutritional security status. These end results are owned by the people, i.e., the private sector that generate the goods and services, and the Zambian population that consumes and transform these into improved welfare.

CATSP's Expected Output Result is 'increased private sector investments into the uptake of technologies, which generates increased productivity, value addition and trading of quality agriculture commodities.' The indicators to measure these output results are: farmers (small, medium and large) and other value chain players' access to differentiated insurance services and credit; input (genetic material, fertilizer, veterinary drugs, agrochemicals, etc.) production; equipment manufacturing; level of technology uptake (inputs, mechanization and irrigation); size and number of farm production units; size and number of processing units; productivity; etc.

CATSP's Expected Input Result is 'enhanced performance of the public sector (relevant Ministries, Provinces and other Spending Agencies) in deploying a comprehensive compendium of policy instruments.'

The indicators to measure the public sector's input are: disbursement of public resources to relevant MPSAs; performance of these MPSAs in deploying respective Policy Implementation Instruments; and enabling business of agriculture index.



CATSP framework. To deliver these three levels of results, CATSP is organized into 7 Sub-Programs (SP): SP.1 – Institutional Development and Program Management; SP.2 – Innovative Financial and Risk Sharing Facilities; SP.3 – Agriculture Marketing, Trade and Industry; SP.4 – Agriculture Research and Production Support; SP.5 – Infrastructure Development; SP.6 – Emergency Preparedness and Response Mechanisms and Nutrition; and SP.7 – Sustainable Management of Natural Resources. Each SP consists of a certain number of Investment Areas (IA), and under each IA, a cluster of MPSAs will be responsible to deploy a basket of Policy Implementation Instruments.

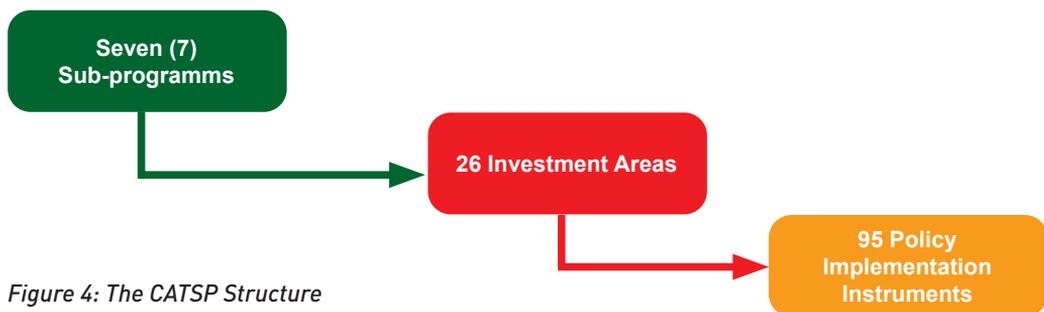


Figure 4: The CATSP Structure

Chapter three below presents the description of these Sub-Programs, investment Areas, and Policy Implementation Instruments. A detailed description of the PIIs is presented in Annex 2.





PROGRAM DESCRIPTION

3.0 PROGRAM DESCRIPTION

3.1 Sub-program 1: Institutional Development and program management

3.1.1 Investment Area 1.1 – Enhancing the coordination, efficiency, and accountability of the public sector in delivering critical enabling results.

Policy Implementation Instrument 1.1.1 – Legislating CATSP. The Government will legislate CATSP in order to provide a legal framework that will support the promotion of quality of public expenditure in the agricultural sector and the implementation of the adopted policy instruments, while preventing unexpected changes and the risks of policy deviation. CATSP Act and prospective complementary regulation(s) will deal with the following critical issues: framing the policy implementation instruments; the accountability system (planning, spending, monitoring of performance, measurement of outputs and outcome results, and reporting) that governs the involvement of respective MPSAs in implementation; institutionalization of the agriculture aggregation system as a means of promoting smallholder inclusive and market oriented value chains; this entails, value chain development plan agreements (VCDPAs) prepared and implemented jointly by the industry association and the Government, for each priority commodity, as well as the promotion of accredited and certified Agriculture Aggregation Alliances (3As) across the country, i.e. local supply chains driven by registered aggregators; the establishment, resourcing and governance system of the Zambia Agriculture Transformation Trust Fund (ZATTF), aimed at delivering risk-sharing, financial and non-financial services to value chain role players (including smallholder farmers, small and medium enterprises (SMEs), the youth, women etc.

During the launching phase of the Program in 2024, Government will: (1) prepare CATSP Bill and potential subsidiary regulations (see Annex 8); (2) conduct stakeholder consultations on the proposed CATSP legislation package; (3) facilitate Cabinet approval; and (4) facilitate the enactment of the CATSP Bill by Parliament.

Policy Implementation Instrument (PII) 1.1.2 – Enhancing the CATSP’s coordination and accountability system (Planning, M&E, Financial Management, Financial and Performance Reporting). *Firstly*, the Government will establish



and support the operation of a dedicated agency for the coordination of CATSP, under the supervision of Cabinet Office, which will monitor the performance of CATSP implementation. Initially, Cabinet Office will constitute an Interim Strategic Coordination Unit (ISCU) which will be formally institutionalized to become (as an indication) the Zambia Agriculture and Rural Economy Transformation Agency (ZATARE)¹. *Secondly*, Government will finance the development of the CATSP Accountability System (CATSP-AS) to be coordinated by the ISCU/ZARETA. The development of CATSP-AS will build on the review of the existing Integrated Financial Management Information System (IFMIS) and comply with the requirements set for CATSP's Policy Implementation Instruments. The Accountability System will include modules on: (1) planning and budgeting; (2) control of expenditure; monitoring of the deployment of measures and subsequent Enabling the Business of Agriculture (EBA)² Inputs, and (3) response by farmers and firms (Outputs); (4) measurement of outcomes; and (5) reporting on achievements (inputs, outputs and outcomes) against targets. The AS will be governed by a software and manual of procedures, setting specific obligations for all users in the MPSAs, and their partnering players in the private sector. The system will be configured in such a way that budgets allocated for the deployment of measures by implementing agencies are utilized for the intended purpose and not any other purpose.

Thirdly, Government will bear the cost of building the capacity of all these public and private sector players, to operate in compliance with CATSP-AS requirements. *Fourthly*, the Government will also establish CATSP Steering Committee (CSC) comprising the Secretary to the Treasury, Permanent Secretaries, Heads of other implementation agencies and private sector representatives. All CATSP Implementing Agencies will report to the Steering Committee through the ISCU/ZARETA. *Lastly*, the Government will establish the High Council for Agricultural Transformation (HCAT) that will be chaired by the Minister in Charge of Finance. The membership of the HCAT will be drawn from among Cabinet Ministers relevant to CATSP, Board Chairpersons of relevant Government agencies and Presidents/Chairpersons of selected Farmer Organizations and the Bankers Association of Zambia. CATSP Steering Committee will report to the HCAT.

Policy Implementation Instrument 1.1.3 – Strengthening the public sector's organizational and institutional capacity. The effective implementation of CATSP will require strengthening the capacities of concerned MPSAs.

1. The final name of this Dedicated Agency will be decided in due course.

2. EBA – Enabling the Business of Agriculture



For that purpose, the Government will: (1) assess the capacity needs of concerned MPSAs for effective CATSP implementation; this will include review of organizational structures, staffing, planning, control of spending, performance monitoring and reporting, equipment; (2) build the capacity (possibly, organizational reform, staffing, training of staff, acquisition of software and IT equipment, upgrading laboratory capacities) of the relevant MPSAs to meet CATSP implementation requirement.

Policy Implementation Instrument 1.1.4 – Setting-up the Integrated Agricultural Information Management System. Considering the multi-sectoral nature of CATSP, Government will invest in the setting up and operation of a georeferenced integrated agricultural management information system that will be able to capture, store and process data and disseminate information on farmer and farm details, firm details, primary production activities, value addition activities, aggregators and aggregation activities, domestic and international trade in primary agricultural products and their derivatives and jobs in the Agri-food sector. Partially, the proposed Integrated Agricultural Management Information System will rely on inputs generated from the Planning, Monitoring, Evaluation and Reporting System developed under PII.1.1.2. More specifically, this PII entails adapting the current Zambia Integrated Agricultural Management Information System (ZIAMIS) hosted by the Smart Zambia Institute (SZI) to the CATSP information needs. The Government will provide resources for: (1) the assessment of the Zambia Integrated Agricultural Management Information System (ZIAMIS), in consultation with all stakeholders; (2) Enhancement of the scope and functionality of ZIAMIS, and (3) train and equip staff under SZI and relevant MPSAs at various levels in the collection and analysis of data required for the effective tracking of CATSP implementation.

Policy Implementation Instrument 1.1.5 – Assessing and enhancing public policies in agriculture and agribusiness. The effectiveness of CATSP’s PIIs deployed by various MPSAs will require regular assessment.

For this purpose, the Government will (1) develop procedures and guidelines for policy review processes leading to informing policy change decision; (2) perform a periodic assessment of the EBA inputs as part of the policy review processes; (3) build the capacity of policy analysis units of relevant MPSAs through acquisition of specialized statistical software and IT Equipment, and training of policy analysis staff in agricultural and agribusiness policy evaluation; (4) provide adequate annual budget for the policy analysis units to conduct policy reviews in compliance with the adopted procedures; (5) consult relevant stakeholders in the



policy review process and conclusions; (6) formalize and publish the conclusions of policy reviews, including the format of policy briefs that clearly synthesize the policy change proposals; and (7) the process of approval of policy changes by Cabinet Office.

3.1.2 Investment Area 1.2 – Establishing and resourcing the Zambia Agriculture Transformation Trust Fund (ZATTF)

The Agriculture Transformation Trust Fund is a critical mechanism for the effective transformation of Agriculture in Zambia.

The aim is to ensure value chain players have access to appropriate financial (risk-sharing and differentiated credit) and non-financial services, required for them to invest in production, processing and trading of agriculture commodities. The ZATTF will also be incorporated as holding and not-for-profit company. Under this Investment Area, the Government, in close collaboration with the private sector and other stakeholders, will set-up a Trust (PII 1.2.1), a Trust Fund (PII.1.2.2), resource it (PII.1.2.3), and maintain the Board of Trustees and Executive Secretary accountable (PII.1.2.4).

PII 1.2.1 – Establishing the Zambia Agricultural Transformation Trust. To facilitate the establishment of the Trust Fund, the Government will establish the Zambia Agricultural Transformation Trust (ZATT). The ZATT will be created directly incorporated as a Trust under the Statute. To this effect, the Government will finance the following: (1) Development of a detailed proposal for the establishment, design and implementation of the Trust and the Trust Fund; the proposal will include all required dimensions: service delivery, beneficiaries, technical, governance, seed funding, resource mobilization strategies, profitability and sustainability, reporting, etc.; the development of the proposal will explore the extent to which existing agencies and institutions could be used to implement the proposed facilities; (2) Adoption of the ZATT Proposal by Cabinet; (3) Enactment of legislation to establish the ZATT and the Trust Fund; the legislation will provide for the composition of the Trust, and establishment of the Trust Fund; (4) Appointment of Board of Trustees in line with the provisions of the ZATT Act, (4) Induction of the Board of Trustees, (5) Appointment of the Executive Secretary and executive directors, and (6) Appointment of other members of staff of the Trust.

PII 1.2.2 – Establishing the Zambia Agriculture Transformation Trust Fund (ZATTF). The Government, through the ZATT Board of Trustees, will facilitate



the establishment of the ZATTF, which will consist of three pillars: Pillar 1 – Risk Sharing Facilities; Pillar 2 – Financial Services; and Pillar 3 – Non-Financial services.

To this effect, the Board of Trustees will (i) facilitate the preparation of the strategic plan, (2) preparation of business plans for the three (3) pillars of the trust fund, and (3) Incorporation of the non-profit companies that will operate Pillars 1 and 2 of the Trust Fund.

PII.1.2.3 – Resourcing the Zambia Agriculture Transformation Trust Fund. In compliance with the regulations in force, the Government will provide a seed fund to the ZATTF and will sign a performance contract with the Board of Trustees. The performance contract will include the parameters of the business plan as to the expected results and projections in terms of profitability and sustainability.

PII.1.2.4 – Ensuring the accountability of the Zambia Agriculture Transformation Trust. The ZARETA will recruit an audit company to perform six monthly external audits of the ZATTF during the first 2 years. From year 3, external audits will be performed annually. The ZATTF Executive Secretariat will submit six monthly and annual reports to the Board of Trustees, with copy to the Minister of Finance and National Planning, the Governor of the Bank of Zambia, the Chairperson of the High Council for Agriculture Transformation, and the Chairperson of the CATSP Steering Committee. The High Council will formally deliberate on the annual reports. If need be, the High Council can address some remarks to the Board of Trustees. It can or recommend an extraordinary audit of the Trust Fund.

3.2 Sub-program 2: Innovative financial and risk-sharing facilities

The focus of this sub-program is the rolling-out of the three pillars of the ZATTF, which make the three Investment Areas: pillar 1 – The Zambia Innovative Risk Sharing for Agriculture Transformation (ZIRSAT); pillar 2 – the Zambia Innovative Financial Services for Agriculture Transformation (ZIFSAT); and pillar 3 – the Zambia Innovative Non-Financial Services for Agriculture Transformation (ZINFSAT).

3.2.1 Investment Area 2.1 – Rolling-out the TF Pillar 1 – the Zambia Innovative Risk-Sharing for Agriculture Transformation (ZIRSAT) Facilities.

PII.2.1.1 – Establish the ZIRSAT Facilities. The four identified ZIRSAT facilities are:





- 1 *The Agriculture Credit Guarantee Scheme (ACGS)* aimed at increasing lending to various categories of agricultural value chain players through a risk-sharing agreement between the ZIRSAT Company Limited³ and lenders indemnified against principal and accrued interest to the limit of a pre-agreed rate.
- 2 *The Interest Drawback Facility (IDF)*, whose aim is to reduce the cost of interest charged onto the agricultural value chain borrowers under the ACGS, as well as increase profit margin for the agribusinesses and induce timely repayment of loans, thereby reducing loan default / crystallization.
- 3 *The Index-Based Insurance Facility (IBIF)*, aimed at expanding products, and piloting and scaling new products, such as weather index insurance, and new variants of pests and disease insurance, life insurance cover, yield and market price cover, credit risk insurance, etc.; and,
- 4 *The Technical Assistance Facility (TAF)*, whose aim is to equip agriculture value chain financing players, including insurance companies, to develop and provide with technical capacity to lend to the sector responsibly and sustainably.

The key features of the ZIRSAT Facilities, which include definition, basic principles, innovations, management, procedures, eligibility, other terms and conditions are presented in the Appendix to the detailed description of this PII in Annex 2.

Through the ZATTF, GRZ will support: (1) technical assistance for the design of the institutional arrangements for the four ZIRSAT facilities; for each of the facilities, this includes the rationale, the aim, the key features, the beneficiaries, the eligible expenditures, the implementation modalities (for example, the establishment of a ZIRSAT Company Limited by the ZATTF, which NPC will partner with existing banks and insurers), the detailed operational procedures that will ensure and promote good governance, and the budget; (2) the validation of the proposed arrangements; (3) the formalization of such arrangements; (4) the review of the arrangements at the end of each year; (5) the development and publication of a flyer, presenting the arrangements for the rollout of these facilities every year; and (6) the training of the staff.

3. The ZIRSAT Ltd will be a not-for-profit company, incorporated as a subsidiary of the ZATTF.



PII 2.1.2 – Delivering Risk-Sharing services to eligible farmers and firms. In compliance with the formalized institutional arrangements, the Government, through the ZATFF and its subsidiary ZIRSAT, will roll out Risk-Sharing Services: general administration, operations, and support to operations (including reporting on performance).

3.2.2 Investment Area 2.2 – Rolling-out Pillar 2 of the Trust Fund – the Zambia Innovative Financial Services for Agriculture Transformation (ZIFSAT) Facilities

PII.2.2.1 – Establish the ZIFSAT Facilities. The seven (7) proposed ZIFSAT facilities are:

- 1 *The Youth Agriculture Loans Facility (YALF)* aimed at young people in commercial agriculture value chains by improving access to finance for youth and youth owned enterprises.
- 2 *The Agriculture Small and Medium Enterprises Loan (ASMEL) Facility.* The aim is to increase SMEs' access to loans for aggregating smallholders and supporting them, and up taking technologies for value addition.
- 3 *The Agriculture Concessional Loans Through Anchor Borrowers (ACLTAB) facility* aimed at deepening financial inclusion at affordable rate, in order to grow smallholders from subsistence to commercial.
- 4 *The Irrigation and Land Development Facility (ILDF)* aimed at promoting access to irrigation technologies such as localized irrigation through drilling and casing of boreholes; water pumping equipment, water storage basins (individual or community infrastructure), rainwater collection.
- 5 *The Farm Mechanization Facility (FMF)*, which aims to support the acquisition of farm equipment and machinery, transport and breeding equipment, livestock and aquaculture facilities and green houses for agricultural production.
- 6 *The Warehousing and Infrastructure Financing Facility (WIFF)*, aiming at increasing the private supply of agricultural warehouses/cold and dry storage facilities for the priority commodities; and





- 7 *The Agro-processing and Export Promotion Facility (APEPF).* The aim is to stimulate further investment in innovation to improve the processing, packaging, and marketing efficiencies in a bid to perfect local processing and packaging and marketing operations to supply local and international markets.

The proposed features of these facilities, which include loan limit, interest rate, maximum investment amount, tenor/investment, repayment, security, eligibility, credit guarantee cover, insurance, access procedures, mandatory training, are presented in the Appendix to the detailed description of this PII in Annex 2. Through the ZATTF, the Government will support (1) technical assistance for the design of the institutional arrangements for the 7 ZIFSAT facilities; for each of the facilities, this includes the rationale, the aim, the key features, the beneficiaries, the eligible expenditures, the implementation modalities (for example, the establishment of a ZIFSAT Not for Profit Company – NPC⁴- by the ZATTF, which NPC will partner with existing banks and insurers), the detailed operational procedures ensuring good governance, the budget; (2) the validation of the proposed arrangements; (3) the formalization of such arrangements; (4) the review of the arrangements at the end of each year; (5) the development, publication and dissemination of a flyer, presenting the arrangements for the rollout of these facilities every year; and (6) the training of the staff.

PII.2.2.2 – Roll out agricultural and agribusiness financial services to Farmers and Firms. In compliance with the formalized institutional arrangements, the Government, through the ZATTF its subsidiary the ZIFSAT, will rollout agricultural and agribusiness financial services: call for loan applications, processing of loan applications, disbursement of loans, general administration, monitoring, and reporting portfolio performances.

3.2.3 Investment Area 2.3 –TF Pillar 3 – Zambia Innovative Non-Financial Services for Agriculture Transformation (ZINFSAT)

PII.2.3.1 – Formalize the institutional arrangements for delivering the ZINFSAT services. The 8 identified ZINFSAT facilities are:

- 1 *Promoting farmers and other value chains players' organizations and industry associations.* The aim is: (a) For each commodity, promote the organization of value chain players (farmers, and other players into associations, which will form an industry association; or/and

4. The ZIFSAT NPC will also be a subsidiary company incorporated by the ZATTF (as a holding company).



(b) to strengthen the capacity of such existing associations. This will contribute to upgrading value chain organization and rolling-out the PII on agriculture aggregation alliances (3As).

- 2 *Promoting upgraded smallholder inclusive value chain business models*, aiming at facilitating value chain business models that are inclusive of smallholder farmers, the vulnerable, and all other required value chain players.
- 3 *Promoting the digitalization of VCs (traceability and operations visibility)* whose aim is to support industry associations partner with other players to establish and operate digital platforms for operations visibility and traceability, which can provide digital services to all value chain players, and for all priority commodities.
- 4 *Overseeing the preparation and implementation of VCDPAs*. The aim is to oversee the development and implementation of Value Chain Development Plan Agreements signed between public and private sector players, ensuring that each part undertakes their respective roles and are accountable.
- 5 *Promoting market-hub enterprises*, aimed at facilitating the establishment of market infrastructure around big cities, along with marketing arrangements that structure the organization of the commodity value chains and shape their operations, linking them to the wholesale and retail markets.
- 6 *Promoting small and medium enterprises*. The aim is to promote SMEs, by providing them with access to services such as training, business development support, fund raising, etc.
- 7 *Enhancing Gender Equity and Women Empowerment in Agri-Food Systems*, aimed at providing women agro entrepreneurs with positive discrimination services, such as trainings, business development support, fund raising, etc.
- 8 *Promoting modernization of agriculture to enhance youth's participation*. The aim is to foster youth's inclusion into the 3As, by providing services such as trainings, business development services and fund raising.



The proposed features of these facilities are the eligible measures and consequent lines of expenditure, the procedures to roll them out, the beneficiaries, the requirement to be met by the beneficiaries, etc.

They are further presented in the Appendix to the detailed description of this PII in Annex 2. Through the ZATTF, GRZ will finance: (1) technical assistance for the design of the institutional arrangements for the 8 ZINFSAT facilities; for each of the facilities, this includes the rationale, the aim, the key features, the beneficiaries, the eligible expenditures, the implementation modalities (for example, the role of the ZATTF Executive Secretary, in collaboration with the ZARETA and other key players), the detailed operational procedures ensuring good governance, the budget; (2) the validation of the proposed arrangements; (3) the formalization of such arrangements; (4) the review of the arrangements at the end of each year; (5) the development, publication and dissemination of a flyer, presenting the arrangements for the rollout of these facilities every year; and (6) the training of the staff.

PII.2.3.2 – Provision of non-financial services to value chain players. In compliance with the formalized institutional arrangements, the Government, through the ZATFF will roll out non-financial services: general administration, operations, and support to operations (including reporting on performance).

3.3 Sub-program 3: Agriculture marketing, trade and industry

3.3.1 Investment Area 3.1 – Market Intervention Schemes.

PII.3.1.1 – Rolling-out market intervention schemes for specific (perishable and staple) agriculture products. A key risk facing agriculture value chain players is the volatility of prices for perishable agricultural products, particularly during harvest periods or in response to bumper crops. In order to avoid creating any market distortion, GRZ is committed to rolling out this PII *only after careful consideration based on the best professional advice from market experts*. The following will be the Government interventions: (1) Development of appropriate storage infrastructure and ensuring they are operated sustainably, which could provide adequate solution to price volatility crisis, in some cases; (2) if, need be, hiring appropriate expertise to analyze the price volatility crisis, advise on the need for Government to intervene, and propose scheme mechanisms that will not distort the market; (3) rolling-out the designed scheme; (4) communication to inform the beneficiaries, and other stakeholders on the scheme; and (5) assessing the positive (for the beneficiaries) and possibly negative (market



distortion) impacts; (6) further, promoting insurance premiums to cover the farmer income security.



PII.3.1.2 – Rolling-out price intervention policies on cash crops, staple commodities, fisheries and livestock. In addition to price volatility associated with peak production and bumper crops, price stability for cash crops, staple commodities and livestock can be affected by a range of factors that Government is committed to monitor in order to determine whether there is a need to intervene in supporting or controlling prices, and how.

In this respect, the Government will finance: (1) the development of a strategy that establishes clearly defined thresholds and triggers for introducing price intervention measures; (2) rolling-out the strategy as appropriate; (3) communication of the strategy to inform the beneficiaries and other stakeholders; and (4) the assessment of the impact of strategy - positive impact (for the beneficiaries) and negative impact (market distortion).

PII.3.1.3 – Establishment and operation of the Market Observatory. Decisions regarding public interventions in markets must be guided by an efficient system



of data collection that will enable the relevant public agencies to timely formulate and implement decisions, based on the best possible information.

Hence a Market Observatory is a key feature of effective and responsive agricultural policy making. For that purpose, GRZ is committed to transforming, and enhancing the capacity of, the Agricultural Market Information Centre (AMIC) under the Ministry of Agriculture into an autonomous, dedicated market observatory focused on the regular collection, processing, analysis and dissemination of key data on markets for crops, fisheries and livestock products.

The establishment of the Market Observatory will include the cost of: (1) Development of a proposal for the establishment of the agency; the development of the proposal will include consultations with key stakeholders to establish its scope and purpose; (2) Approval of proposal to establish the agency; (3) Establishing and resourcing the agency.

3.3.2 Investment Area 3.2 – Food Safety and Quality

PII.3.2.1 – Rolling-out SPS Measures. The aim of this instrument is to protect humans, animals and plants from diseases, pests or contaminants. SPS measures are also critical for the promotion of market-oriented value chains, specifically for export markets. Therefore, the deployment of this PII is also aimed at ensuring production of agri-food products that satisfy export market standards and requirements. Through this PII, the government will ensure that the country's SPS institutional framework is strengthened. In this regard, the Government will commit resources to the implementation of the following measures: (1) Assessing the current institutional framework for SPS focusing on; (a) various existing institutions have varying mandates and levels of capacity in SPS; (b) the various existing structures and procedures, budget allocations for their operations; (c) existing physical capacity such as laboratories, general establishment, and operations; (d) existing regulatory framework for SPS measures; (e) familiarity of stakeholders in the agricultural value chain with SPS issues and requirements; in order to (2) develop a proposal for a **harmonized national SPS system** including regulations, structures, staffing, lab capacity and other capabilities, budget allocations, etc.; (3) Capacity building of SPS organizations and institutions aimed at improving SPS performance in the agricultural sector and building national agri-food systems capacity to generate export earnings and realize its full potential; (4) Creation of awareness of SPS measures among stakeholders ; and (5) Periodic assessment of the performance of SPS organizations and institutions.



PII.3.2.2 – Certification System for Geographic Origin, Environmental Sustainability and Social Responsibility of Agriculture Value Chains.

Value chain players can achieve premium prices by guaranteeing, through better organization and better traceability, certain characteristics for their products. Depending on the market they are targeting and the product they handle, there may be scope for generating additional value by establishing certification mechanisms that attest either the geographic origin of a particular product (which might be regarded as a typical or high quality product from that area). The environmental sustainability of the methods used to produce that product, and the social responsibility of the products that guarantee and equitable distribution of benefits for different operators within the value chain and certain standards in labor practices in its production. Through this PII, the Government aims at promoting three (3) broad types of certification mechanisms: (a) geographic origin; (b) environmental sustainability; and (c) social responsibility. In this respect, the Government will finance the following: (1) development or enhancement of the regulatory framework for geographic origin, environmental sustainability and social responsibility certification; (2) establishing a certification body responsible for monitoring the application of regulatory protocols and providing certification; the establishment of this dedicated agency will involve significant capacity building of staff, provision of the physical capacity required, including appropriate ICT to enhance traceability; (3) communication and capacity building to equip producers and value chain players on how to apply the appropriate certification protocols; and (4) decision making process for tax break for enterprises choosing to adopt different certification protocols.

PII.3.2.3 – Ensuring Quality Control and Assurance (Certification and Labelling).

GRZ will: (1) Review and strengthen the product certification and labelling system based on the regulatory measures in PII 3.2.1 - Rolling-out SPS Measures; (2) Partner with existing service providers through joint-ventures and public-private partnerships to establish and manage new network areas creating digital infrastructure in remote rural areas which may not be attractive or economic for larger private operators; and lastly (3) Invest in education on use of information technology in rural areas to ensure that producers and value chain players in the sector have the skills required to engage with new quality certification and labelling mechanisms.

Opportunities will be explored to organize these communication and capacity building measures in cooperation with Credible Industry Associations, producer and value chain associations, extension services and other relevant public



agencies responsible for small and medium scale rural enterprises, education, and vocational training.

PII.3.2.4 – Strengthening official food control capacities, including extension services at primary production level. The GRZ will invest in: (1) rolling out a process measure to review national food safety capacities and develop a proposal for an integrated national food safety system; (2) reviewing existing legislation and mandates of various MPSAs in order to improve and harmonize legislative framework; and (3) capacity building and communication measures to ensure all relevant stakeholders in the harmonized systems are adequately educated and trained on food safety and control; this includes the cadre of extension officers interfacing with farmers at the primary production level.

3.3.3 Investment Area 3.3 Enhancing the Agriculture Marketing and Trade Policy Environment

PII.3.3.1 – Rolling out import and export measures when necessary. The institution of export and import measures can send wrong signals to stakeholders including the domestic private sector, and trading partners. The aim of this PII is to ensure that the export and import measures rolled out by the Government will not have long-term detrimental effects on private sector investment and participation, and the country's trading relations with its trading partners.

The GRZ will roll-out this PII, based on careful assessment of its advantages and disadvantages as well as its coherence with policies across the sector, in other sectors of the economy, and with international commitments and treaty obligations, including Southern African Development Community (SADC), Common Market for Eastern and Southern Africa (COMESA) and African Continental Free Trade Area (AfCFTA) Protocols, and World Trade Organization (WTO) rules.

Advantages and disadvantages for farmers, other value chain players, consumers and the whole sector will be taken into account. GRZ will finance: (1) A thorough study on the implications and feasibility of different import and export measures for different commodities, food stuffs and agricultural inputs, in order to provide the basis for a set of guidelines for policy makers to consider making use of different import/export policy instruments to rectify market imbalances; the guidance will include means of deciding when to remove import or export controls as well as when to introduce them; (2) Repeal and Replacement of



the Control of Goods Act, (3) The establishment of guidelines and criteria for introducing import and export controls and a mechanism for identifying and implementing those controls when appropriate; and ensuring that the controls are aligned and harmonized with national regional, continental and international trade obligations (4) Dissemination of the export and import control measures to ensure that key decision-makers, relevant agencies and stakeholders are fully informed regarding the relevant policy measures and the mechanisms for their eventual introduction and enforcement.

PII.3.3.2 - Ensuring pro-competition market and regulating anti-competitive behavior.

The GRZ is committed to enable private sector-led development of the agricultural sector, including by ensuring that the markets function in a truly competitive fashion. Indeed, it is critical to avoid monopiles and other market dominance that stifle competition and undermine the development of the agricultural sector. Therefore, the GRZ will invest in 3 complementary measures: (1) Reviewing existing laws and developing appropriate anti-trust laws and regulations regarding competitive and anti-competitive behavior in agricultural markets, ensuring that it is fully compatible with antitrust and competitive regulation in other sectors of the economy; as part of this measure, the Government will finance the review of the Competition and Consumer Protection Act with a view to strengthening the law and promoting fair competition, preventing monopolistic practices, and prohibiting anti-competitive behaviour. (2) enhancing the capacity of the Competition and Consumer Protection Commission (CCPC), allowing for the establishment of a specific unit to monitor market behavior and enforce regulations in agricultural markets; (3) communication and capacity-building measures to promote competitive behavior among economic actors and inform them regarding antitrust laws and the role of the unit for the agriculture sector.

PII.3.3.3 - Facilitating agriculture trade with neighboring countries and trading partners.

In the 8NDP, the government plans to increase Zambia's annual agricultural exports by 164 percent over the period of the plan. Given its tremendous agricultural potential, Zambia's agricultural exports to its eight (8) neighboring countries and other trading partners within and beyond the region can increase exponentially. In line with the 8NDP, Government will create an enabling environment for private sector growth in the agriculture sector by providing, *inter alia*, a stable trade policy with emphasis on easing of restrictions on exports of agricultural commodities. It is in this regard that the Government seeks to fully exploit the country's agro export market opportunities and ensure



effective market facilitation for the country's private sector to take advantage of the opportunities. The measure under this PII are complementary to the measures deployed under PII 3.3.1: Rolling out import and export measures when necessary. The GRZ will invest in deploying a combination of measures including: (1) Review and improve the overall current trade facilitation with Zambia's eight (8) neighboring countries and other major trading partners within the region and beyond.; (2) Developing a model that allows for the coordination and harmonization of trade activities and opportunities; the proposal will be validated and subsequently approved by key stakeholders; this will include physical offices, ICT resources required for the operationalization of the proposed model; and (3) Communication and capacity building measures to support and ensure Zambia Development Agency (ZDA) staff and key stakeholders concerned with trade with neighboring countries and trading partners are fully informed (Including building relevant and appropriate capacities) regarding the introduction of the model and supporting mechanisms.





PII 3.3.4 - Develop and Facilitate the implementation of a formal Agricultural Aggregation System. The government seeks to formalize, recognize and effectively regulate the relationships between farmers and aggregators through establishment of an agricultural aggregation alliance system. An Agricultural Aggregation Alliance (3As) is an organized supply chain driven by an aggregator or a value chain driver. The aggregator's function is to aggregate farmers' produce and possibly land. The aggregator connects farmers to input and output markets, enabling them to uptake technologies, eliminate drudgery and improve their yields and revenues. The 3As model will be a **commercial alternative to the Farmer Input Support Program (FISP)** as it will allow farmers and other value chain players to access technologies and farming inputs through the Trust Fund. The regulation of the alliances is aimed at ensuring transparency and fairness among players, and efficiency in value chains. To further the development and facilitation of a formal Agricultural Aggregation System, the Government will finance the following measures: (1) A comprehensive and independent evaluation of FISP, and development of a detailed proposal on the aggregation agricultural system as a viable and sustainable private sector-led input supply and distribution system; (2) The development of legislation that will provide the legal framework for registration and regulation of agricultural aggregation alliances to ensure fairness and transparency in the dealings of, and relationship among, members of the alliances; (3) Capacity building of aggregators and agro-dealers with a view to enhancing their skills in agribusiness management, and capacities in input supply and aggregation; (4) awareness and sensitization campaigns aimed at disseminating information on the rationale and benefits of the 3As; and (5) Organization of farmers and capacity building of farmer groups aimed at strengthening their capacities to effectively engage with other members of the agricultural aggregation alliances.

PII 3.3.5 – Promote increased private sector participation in agricultural marketing. Agricultural marketing plays a key role in agricultural development, and is one area that can attract private sector participation and investment.

In the Second National Agricultural Policy (SNAP), the Government recognizes inefficiencies in agricultural input and output markets, and low participation of the private sector in agricultural development as some of the challenges affecting the performance of the agricultural sector.

The participation of the private sector in agricultural marketing, however, is constrained by, among other factors, unpredictable government interventions



in agricultural markets, Government participation in crop (maize) marketing and poor market infrastructure. In addition to the measures under PII 3.1.1 (Market Intervention Schemes) above, the Government will finance the cost of (1) Review the mandate of the Food Reserve Agency (FRA) with a view to reverting to its original mandate confined to maintenance of strategic grain reserves and buyer of last resort; the review will include the validation of the size of the country's strategic food reserve; (2) Review the Food Reserve Act 2020 in line with the outcome of the review of the organization's mandate; (3) Restructuring of the Food Reserve Agency in line with its revised mandate; (4) Development of a system that will allow the FRA to purchase and dispose of strategic grain reserve stocks through a non-market distorting and cost-effective mechanism; and (5) Public awareness of the measures relating to the FRA and maintenance of strategic grain reserves. The measures under this PII are aimed at ensuring that the Government, through the FRA, does not compete with the private sector in crop marketing.

3.3.4 Investment Area 3.4: Promoting Agri-food processing.

PII.3.4.1 – Promoting firm level processing of crops, livestock, and fisheries products. To foster economic diversification and industrialization, the government seeks promote value addition and manufacturing (8NDP Development Outcome 1; Strategy 3: Promote value addition and manufacturing). Among the interventions that government seeks to implement to accelerate growth in the manufacturing sector are ensuring increased investment for value addition to products from the agriculture, forestry and mining sectors. Processing capacity is a critical part of agri-food systems, and many agricultural value chains in Zambia under-perform because of the inadequate appropriate processing technology and capacity. The aim of this PII, therefore, is enhance the capacity of firms to acquire and utilize agro-processing technologies. The GRZ will commit resources for: (1) the development of an inventory along priority commodities of appropriate technologies, machinery, and equipment for improvements in processing for which importation will be facilitated; (2) decision making on enabling private firms access tax breaks on the importation of such technologies, machinery and equipment; (3) possibly, matching subsidies to support acquisition of new processing technology for SMEs along priority value chains; and (4) capacity-building measures to enable SMEs use and maintain the acquired technologies, machinery and equipment will be deployed.



PII. 3.4.2 – Promoting farm level pre-processing of crops, livestock, and fisheries products. Appropriate processing capacity can help smallholders to achieve better prices for their products and take advantage of relatively simple farm-level technologies to enhance the value chain as a whole, by processing freshly harvested produce and then storing it for sale when prices are optimal. Additionally, it retains nutritional value, increases shelf life and reduces seasonality of food insecurity as well as post-harvest losses. The GRZ, therefore, will promote value addition and at farm level and is committed to bearing the cost of: (1) Capacity-building of smallholders through training (2) Skills among extension staff to ensure they provide longer -term support; (3) Sensitization of smallholder farmers in order for them to (a) appreciate the concept of value addition at farm level, and (b) access appropriate financial facilities under the Trust Fund.

3.4 Sub-program 4: Agriculture research and production support

Devoted to rolling-out the Public Sector’s decisive and innovative investment to enable the adaptation, development, and dissemination of technologies, for the production of crops, livestock and aquaculture commodities, sub-program 4 consists of eight (8) IAs and 37 PIIs described for the Crops Sub-sector (Sub-Program 4A) and the Fisheries and Livestock Sub sectors (Sub-Program 4B).



3.4.1 Investment Area 4.1 Promoting the adaptation, development and dissemination of CSA technologies.

This investment area is devoted to promoting Climate-Smart Agriculture (CSA), with a focus on technologies amenable for the triple objectives of: (a) sustainably increasing productivity and incomes; (b) adapting to climate change; and (c) reducing greenhouse gas (GHG) emission where possible.

This does not imply that every technology and practice applied in every location should produce “triple wins”. Rather, the aim is to reduce trade-offs and promote synergies by taking these objectives into consideration.

Therefore, the GRZ is committed to promoting technologies and practices that make crop, livestock, and fisheries value chains resilient to climate related shocks, have the inherent capacity to meet the market demand and can sustain productivity and profitability to enhance the reliability of incomes derived from the value chain activities. Likewise, to attain the 25% reduction in greenhouse gas emissions (GHG) target set by the Government, GHG emission reduction technologies will be promoted along the crops, livestock, and fisheries value chains. The five key sources of GHG emissions associated with crop production will be targeted: (a) inefficient on-farm machinery and equipment; (b) rice cultivation,



(c) overapplication of nitrogen, (d) low use of low and no tillage practices, (e) low application organic fertilizers/manure. In the livestock and fisheries sector, the targeted areas will be: (a) more efficient practices for the production and processing of livestock feed, (b) improved grassland management; (c) managing outputs of GHG during digestion by cows and manure handling. Further, the Government expenditures under these PIs will cover practices meeting the following criteria: (a) sustainable soil and land management practices; (b) maintaining biodiversity in agriculture and environment practices; (c) practices that preserve and enhance ecosystem services; (d) practices to reduce pollution of land, water and air; and (e) practices and technologies for efficient use of water.



PII.4.1.1 A & B – Adaptation and development of CSA practices and technologies for crop, livestock and aquaculture value chains. Under this PII, the Government will bear the cost of: (1) providing the guidelines and regulations on sustainable practices to be adopted by fisheries and livestock value chain actors; (2) developing a mechanism for tripartite contractual arrangements between value chain players, represented by their Industry Associations (IA), research service providers (public institutions, private research agencies), and Government, for the development or adaptation of technologies demanded by the value chain players and meeting the CSA criteria elicited above; (3) preparing and signing contracts for research (adaptation or development) demanded by value chain role players; and (4) research grants to finance fully or partially, the implementation



of such a tripartite research (adaptation or development) contract, in response to the demand of value chain players.

PII.4.1.2 A & B – Dissemination of CSA practices and technologies. Government's expenditures will cover the cost of: (1) enacting additional regulations to compel all producers to manage and protect rangeland and natural fish resources; (2) supporting both public and private extension service providers to design and develop information and training materials on CSA practices ; (3) supporting both public and private training institutions to enable them to update their curricula and facilities to provide training on CSA technologies and practices; (4) strengthening the capacity of value chain membership organizations and industry associations, to play a leading role of disseminating information and facilitating access to requisite resource to their members; (4) trainings provided through public and private extension service providers, training centers, input dealers and digital platforms...; (5) matching grant to enable producers acquire recommended CSA technologies and enhance their capacity to account for the gains in carbon sequestration and trade the carbon credits; and (6) deploying fiscal incentives i.e. tax breaks, duty exemptions and zero rating to the suppliers of the recommended CSA technologies, including drip irrigation kits.

3.4.2 Investment Area 4.2 Adaptation, development and dissemination of other technologies and practices

The aim is to improve productivity and competitiveness in order to meet domestic and international demand & standards.

PII.4.2.1 A & B – Adaptation and development of other technologies and practices for crop, livestock and aquaculture value chains. Under this PII, GRZ will bear the cost of: (1) providing and updating periodically, the guidelines on the categories priority technologies and practices to be promoted; (2) developing a mechanism for tripartite contractual arrangements between value chain role players, represented by their Industry Associations (IA), research service providers (public institutions, private research agencies), and Government, for the development or adaptation of technologies meeting the defined criteria; (3) preparing and signing contracts for research (adaptation or development) demanded by value chain role players; and (4) research grants to finance fully or partially, the implementation of such a tripartite research (adaptation or development) contract, in response to the demand of value chain role players.



P11.4.2.2 A & B – Dissemination of other technologies and practices for crop, livestock, and aquaculture value chains. Government’s expenditures will cover the cost of: (1) supporting both public and private extension service providers to design and develop information and training materials on innovative technologies and practices; (2) supporting both public and private training institutions to enable them to update their curricula and facilities to provide training on innovative technologies and practices; (3) strengthening the capacity of value chain membership organizations and industry associations, to play a leading role of disseminating information and facilitating access to requisite resource to their members; (4) trainings provided through public and private extension service providers, training centers, input dealers and digital platforms; (5) subsidy to dissemination platforms (electronic platforms such as mass broadcast of SMS; social media groups where all modes of information can be disseminated; physical meetings where actors can come together and share information such as farmer field school; demonstration clinics, workshops, and general meetings where any mode of information can be shared); (6) matching grant to enable producers acquire recommended innovative technologies; and (7) deploying fiscal incentives to the suppliers of the recommended innovative technologies.



3.4.3 Investment Area 4.3 – Promoting private and public extension services for crops, livestock and fisheries sub sectors.

Extension plays a critical role in the uptake of technologies and the attendant improvement in agricultural productivity. The GRZ aims to leverage the various strengths of the public, nonprofit and profit driven extension systems, and Farmer-



to-Farmer Systems enabling their integration and facilitating complementary and effective dissemination. Government intends to reform the extension service system into an innovative, less human centered and more technology driven system that is cognizant of the limitations of the public and private sector with regard to recruitment of extension officers.

The SNAP and the National Livestock Development Policy site weak and inefficient agricultural extension delivery capacity as one of the challenges facing the agricultural sector. According to the Institutional Capacity Strengthening Plan (ICSP – 2022), the capacity of provincial, district and sub-district level MoA and MFL offices to deliver extension, advisory and technical services is constrained by inadequate and old equipment including office equipment, motor vehicles and motorcycles, low levels of funding, and dilapidated, and inadequate, or non-existent infrastructure such as, infrastructure at Farm Institutes (FI's) and Farmer Training Centres (FTCs). Low funding and unreliable transportation for district and sub-district staff have hampered the delivery of extension services. Because of mobility issues, the few extension officers, each of whom is expected to reach more than 1000 farmers, have limited outreach. Other factors limiting the capacity of the ministry's sub-national level structures to deliver include lack of refresher courses for extension staff and a limited use of FIs and FTCs.

PII.4.3.1 – Strengthening and digitalizing the public sector extension delivery system. Digital technology has revolutionized delivery of agricultural extension and advisory services globally. Today, public extension systems in developing countries and in Zambia face a number of challenges that constrain their effectiveness in terms of fostering adoption of good agricultural practices. Some of the challenges that the public extension system faces in Zambia is the ever-worsening unfavorable extension-farmer ratio, reductions in budget allocations to extension services, and limited outreach owing to mobility limitations. Through the deployment of this PII, the government seeks to leverage digital technological advancements to modernize the public extension system. The GRZ is committed to (1) Conducting an audit of the extension service system with regard to human capacity, infrastructure, technologies available and utilized, etc. (2) Developing and implementing an agricultural extension and advisory services strategy arising from the audit. The strategy will be anchored on digitalization and use of modern but appropriate technologies (3) procurement of the required software and equipment (4) Provide tax concessions to mobile network operators/internet service providers/tech companies willing to expand



their coverage and infrastructure to areas with limited or no coverage (5) training of extension officers on new system (6) cover cost of expansion and capacity building of Smart Zambia Institute (SZI) to integrate new and digitalized system, maintenance, monitoring and evaluation.

PII.4.3.2 – Promoting private sector extension service provision. GRZ recognizes that extension services are provided by both profit driven and non-profit private sector. The provision of agricultural extension services by non-state actors will complement the public sector extension system and promote adoption of CSA and other technologies, which in turn will raise agricultural productivity and production.

The Government is, therefore committed to providing an environment that will promote private sector delivery of extension services. The purpose of this PII, therefore, is to ensure that the Government deploys measures that will address any challenges that may constrain private sector participation and investment in agricultural extension and advisory services delivery. Through the deployment of this PII, the government will also put in place measures that will stimulate private sector extension service delivery. Government will cover costs towards: (1) Development of a harmonized system for registering and monitoring all extension service providers in crops, livestock and fisheries including distribution and area of operations; (2) Matching grants for software and equipment to profit driven private extension service providers who possess valid contracts with Agriculture Aggregation Alliances (3As) and other aggregation systems involving a minimum of 2000 farmers; (3) Removal of taxes on expenditures related to provision of agricultural extension and advisory services by private extension service providers operating in priority value chains, registered with the relevant industry association and compliant with reporting mechanisms; (4) Tax exemptions on all equipment to facilitate extension i.e. videography, transport, projectors, etc. in priority value chains; (5) Development and implementation of a public-private partnership for agricultural extension and advisory service provision; the partnership will allow private companies to utilize public research and farmer training facilities to set up demonstration sites for their technologies; these sites will be used for training of both public and private extension officers, and farmers.

3.4.4 Investment Area 4.4 – Promoting youth skill-based training.

Enabling youth's access to innovative knowledge and skills is fundamental to promoting youth employment in crop, livestock, and fisheries value chains.



PII.4.4.1 A & B – Development of curricula for youth skill-based training.

The development and expansion of the agri-food system offer employment opportunities for the burgeoning youth population in Zambia. It is in this regard that the government seeks to modernize the agricultural sector.

To realize the full benefits of the modernized agricultural sector, there is need to enhance youth skills.

As stated in the 8NDP, skills training has the highest potential to capacitate the youth, many of whom do not complete their primary or secondary level education, for employability. The aim of this PII, therefore, is to ensure that appropriate skills training curricula in crops, fisheries and livestock are developed. Under this PII, GRZ will bear the cost of: (1) assessing and describing (objective, content, duration, etc.) the skill-based training needs for the youth in crop, livestock and fisheries value chains (upstream, downstream and at production level; only short term trainings will be eligible; (2) provide resources (through a competitive selection) to reputable training institutions (public and private) for the development curricula that takes a transformative approach to crop, livestock and fisheries value chains.

PII.4.4.2 A & B – Promoting youth access to skill-based training. Most youth are unable to take advantage of available skill-based training opportunities because they cannot afford to pay training fees. In order to ensure the effectiveness of the curricula development under PII 4.4.1 above, the Government will develop



and implement a skills training grant system targeting youth that desire to take up skills-based training in agriculture. Through this PII, the Government will provide grants to finance the youth's access to skill-based training services for crop, livestock, and fisheries value chains.

3.4.5 Investment Area 4.5 – Promoting the Production and Supply of Improved Genetic Resources

PII.4.5.1 A & B – Promoting the Production of Improved Genetic Materials for Crops, Livestock, and Aquaculture. Use of improved genetic materials (seeds, cuttings, scions, clones for plants; animal breeds, fingerlings, fodder, and silage) is a prerequisite to increase agricultural productivity, improve food security, reduced expenditure on food purchases and imports, and increased domestic economic activity. Through the deployment of this PII, the government seeks to strengthen the system of local production of improved genetic materials for priority and indigenous crop, fish and livestock varieties. GRZ is committed to investing public resources to support the cost of: (1) Research aimed at improving genetic resources for crops, fisheries and livestock, (2) Improving and developing regulation on the production and control of the quality of genetic materials, where necessary; this will include (a) development and adoption of a National Intellectual Property Protection (IPP) System, (b) review of the Plant Varieties and Seeds Act aimed at a more comprehensive seed regulatory system for plant varieties, and (c) development and adoption of a regulatory system for the development, release and deployment of improved agronomic practices; (3) Grants to support the structuring of value chains dedicated to the production of genetic materials, for example through aggregation schemes; (4) One-time grant subsidy to farmers active in the genetic material value chains for the acquisition of production and post-harvest equipment and/or inputs; (5) Grant subsidy to aggregators or other enterprises active in the genetic material value chains, for the acquisition of equipment (storage, packaging, lab equipment, etc.); and (6) Linking genetic material suppliers with the demand by the aggregation and commodity schemes promoted by the Government.

PII.4.5.2 A & B – Facilitating the Importation of Improved Genetic Resources (for crops, livestock, and aquaculture) when necessary. In cases where, the domestic production of genetic material is non-existent or insufficient, import will be the recourse. The Government will bear the cost of: (1) Structured consultation with the concerned industry to justify the importation; (2) Running the process for decision making on tax alleviation on the importation of specific genetic material;



and (3) Reviewing and improving laws and regulations relating to importation of genetic resources, including vegetable seeds, in particular extending the validity periods of import permits for all types of crop and animal genetic resources. The review and improvement of the laws will include the review of the Biosafety Act.

PII.4.5.3 A & B – Enhancing the Capacity of the Agencies in Charge of Certification of Genetic Materials, Inputs and Equipment for Crops, Fisheries and Livestock.

To assure quality of locally produced and imported genetic material, there is need for a robust certification system for genetic materials, inputs and equipment. It is important, therefore, that the government strengthens the capacities of the agencies charged with the responsibility of certifying genetic materials for crops, aquaculture and livestock and ensure that such agencies do not have any operational deficiencies. To this effect, the GRZ is committed to provide resources to cover the cost of: (1) Acquisition of lab and other equipment; (2) Enhancing staffs' capacity; (3) acquisition of international accreditation for labs; and (4) Enhancing field monitoring capacity to meet the evolving industry certification needs, at all times, (5) Building/Rehabilitating provincial satellite labs for the Seed Control and Certification Institute.

PII.4.5.4 A & B – Establishing and enhancing national breed/seed bank for the preservation of national genetic resources and promotion of biodiversity.

GRZ aims at ensuring that local and national genetic materials are stored, replicated and bred to provide resource materials both for current agricultural practice and for future genetic improvement. To this effect, the government seeks to put in place and system, including requisite infrastructure, that will ensure effective preservation of national genetic resources. GRZ, therefore, is committed to financing the following measures: (1) Enactment of legislation that establishes standards for maintaining seed and breed banks and protocols for their operation. Specifically, enact legislation that will legitimize the establishment, broaden the mandate and functions of the national plant genetic resource center (gene bank) and transform it into the National Biodiversity Conservation Institute, (2) Tax holidays / concessions for private sector operators establishing seed / breed banks for crops, livestock and fish; (3) Designing appropriate architecture of national and local seed and/or breed banks; (4) Equity in form of infrastructure, service fees towards public-private partnerships for brownfield projects; (5) Matching grants to industry associations establishing small to medium scale local seed/breed banks; (6) Construction of conservation facilities for all biodiversity in one centre, and (7) Training of personnel in the scientific and technological aspects of conservation and utilization of genetic resource.



3.4.6 Investment Area 4.6 – Enhancing the accessibility, quality and efficiency of agricultural mechanization along the agri-food value chain

The GRZ has developed the National Agricultural Mechanization Strategy (NAMS) that seeks to promote increased adoption and use of agricultural mechanization machinery and equipment along the agricultural value chain. The deployment of the PII under this investment area will essentially and effectively be the implementation of the NAMS and will be complementary to the deployment of PII under (i) Investment Area 3.4 – Promoting Agri-food Processing, (ii) Investment Area 4.1 - Promoting the adaptation, development and dissemination of CSA technologies, and Investment Area 4.2 - Adaptation, development and dissemination of other technologies and practices.

PII 4.6.1: Promote and enhance Agricultural Mechanization Research and Development along the Agricultural Value Chain. Research and development is an essential process in the development, adaptation and implementation of agricultural Mechanization interventions. Imported agricultural machinery and equipment may not suit local agro-climatic and socio-economic conditions and may also need adjustments or improvements. Locally developed mechanization technologies and products using available raw materials, technical skills and production techniques need to be durable, robust and affordable. To promote and enhance the use and adoption of agricultural mechanization machinery, equipment and technologies, government will strengthen the institutional capacity of the Zambia Agricultural Research Institute (ZARI) to undertake mechanization adaptive research in climate smart and environmentally friendly



mechanization technologies along the agricultural value chain. This will be done through the following measures: (1) Strengthen the organizational and technical capacity of the mechanization unit under ZARI.

This will be done through, among other interventions, engagement of qualified staff and build their technical capacity in agricultural mechanization research and development (2) Develop and adapt climate smart agricultural mechanization technologies in crops, livestock and fisheries production (3) Establish four Regional Agricultural Mechanization Centres of Excellence for adaptive research and technology dissemination (4) Strengthen collaboration among public and private institutions involved in agricultural mechanization research and extension (5) Establish platforms for effective stakeholder linkages and information sharing in climate smart agricultural mechanization research and development.

PII 4.6.2: Promote the Development and Dissemination of knowledge in agricultural mechanization among the actors involved in the agricultural value chain. In agricultural-dependent economies like Zambia, smallholder agricultural extension programmes are the main conduit for disseminating information on agricultural technologies and assisting farmers in developing their technical and managerial skills. Extension is an important tool for making agriculture, its related activities as well as other economic activities, more effective and efficient to meet the needs of the farmers and actors along the agricultural value chain.

Developing and disseminating knowledge in agricultural mechanization technologies requires an organized, technically competent and effective agricultural extension service with competent staff, appropriately packaged technical messages and defined delivery mechanisms. Government is determined to improve and enhance agricultural mechanization extension services and, in this regard, will implement the following measures: (1) Preparation of an agricultural mechanization extension manual with appropriate technical messages and delivery systems/mechanisms; (2) Establishment of a baseline for agricultural mechanization machinery and equipment - status and demand. (3) Establishment and maintenance of a National Agricultural Mechanization Databank, (4) Building the technical capacities and competencies of extension staff through refresher training in agricultural mechanization (5) Building the capacity of the mechanization unit under the Department of Agriculture.



This will include engagement of mechanization officers in line with the establishment; (6) Equipping selected extension officers with appropriate transport to improve mobility and outreach, (7) Partnering with public and private tertiary educational facilities to reform and update their curricula in agricultural mechanization and related disciplines (8) Build and strengthen the capacities of selected universities and TEVET colleges. This capacity building is aimed at enabling educational and vocational facilities to offer relevant academic, refresher and vocational training in agricultural mechanization and related disciplines, including entrepreneurship training to enhance business management skills and innovation among students in agricultural mechanization along the value chain.

PII 4.6.3 - Promote smallholder farmers' access to and use of mechanization services, with particular focus on women and youth.

In agricultural development, men, women and youth are recognized as important players, but women and young farmers generally face more socio-cultural and economic constraints than men. Government is committed to increasing the utilization of agricultural machinery and equipment along the value chain among women and youth small-scale farmers which will lead to improving their agricultural productivity and creation of jobs. A good percentage of small holder farmers' fields are generally not well cleared of tree stumps, roots and stones, which makes it difficult to use tractors and equipment for land preparation and other farming operations. Access to affordable land clearing services will enable small holder farmers level their fields and clear/remove tree stumps, roots and stones to facilitate the effective and efficient use of mechanization machinery and equipment for land preparation and other farming operations. Government will implement the following measures; (1) Provide tax concessions for the private sector to establish agricultural mechanization service centres (AMSCs) along the agricultural value chain (land development, preparation through to processing); (2) Provide one-off land development/preparation subsidies to smallholder farmers accessing AMSCs, (3) Develop and publicise customized, affordable and innovative land development services financing products and packages for smallholder farmers, women and youth and mechanization service providers; (4) Build capacity of smallholder farmers, women and youth to adopt good mechanization practices such as removing of tree stumps, uprooting roots and roving stones to facilitate the efficient use of agricultural machinery and equipment (5) Develop and publicize customized, affordable and innovative financing products and packages in agricultural mechanization for women and youth; (6) Develop and publicize



youth and women small-scale farmer friendly financial products to enhance access to and use of agricultural machinery and equipment; (6) Build capacity of women and youth small-scale farmers in agricultural mechanization and (7) Build capacities and technical competencies of rural artisans, mechanics, tractor and machinery operators and service providers in the design and maintenance of agricultural machinery and equipment (9) Develop ICT packages for promotion and use of agricultural mechanization among the women and youth small-scale farmers.

PII 4.6.4 - Promoting the Manufacture of Mechanization Machinery and Equipment for Crops, Livestock, and Aquaculture. One of the main reasons for the low levels of agricultural mechanization in Zambia is the high cost of acquisition of the machinery and equipment. This is in part because the number of local manufacturers is quite low and imported machinery and equipment are rather expensive. Local manufacturing of agricultural machinery and equipment is at an early developmental stage and is also hampered by international competition and imports. To promote the domestic manufacturing of identified mechanization equipment, GRZ will: (1) develop standards for the production and control of the quality of mechanization machinery and equipment, where necessary; (2) Provide tax rebates to local manufacturers of agricultural production and processing machinery and equipment; (3) Provide, through the Trust Fund, loans to local artisans active in the mechanization equipment supply chains. (4) Facilitate creation of sustainable linkages between mechanization machinery and equipment suppliers and demand by the aggregation and commodity schemes promoted by the Government. (5) Develop and facilitate training programmes for continuous improvement of local manufacturers (6) Facilitate the creation of a platform for information exchange for private sector manufacturers of agricultural machinery and equipment and (7) Enforce the provision of after sales services and related services for agricultural machinery and equipment by manufacturers through routine monitoring and inspections.

PII 4.6.5 - Facilitating the Importation of Mechanization Equipment for Crops, Livestock and Fisheries. Agricultural mechanization machinery and equipment in Zambia is expensive because it is predominantly imported. As the capacities and competencies of local manufacturers will take some time to build, imports will be the immediate recourse. The GRZ is committed to facilitate the importation of the needed farm machinery and equipment as well as the spares through structured incentives. These incentives include: (1) Providing tax rebates on agricultural machinery and equipment that cannot be manufactured



locally and (2) Enforcing the provision of after sales services and related services for agricultural machinery and equipment by importers and distributors through routine monitoring and inspections.

PII 4.6.6: Develop and implement a quality assurance system for agricultural mechanization machinery and equipment.

The regulatory framework of agricultural mechanization machinery and equipment needs to be reviewed and enhanced as is not flexible and harmonized with the between/among the various pieces of legislation and regulations and hence is ineffective. It is important to have regulations dealing exclusively with agricultural mechanization machinery and equipment along the value chain as currently there is none. Government is committed to establishing a regulatory framework and institution to set appropriate Zambian standards for all agricultural mechanization machinery and equipment and enforce these. Government will: (1) Develop and disseminate national standards, testing procedures and certification mechanisms for agricultural machinery and equipment; (2) Establish a National Agricultural Mechanization Testing Centre; (3) Enforce the use of national standards in the design of agricultural machinery and equipment; (4) Enforce standards for agricultural machinery and equipment at points of entry through routine monitoring and inspections. (5) Publicize and monitor the use of adapted and re-engineered agricultural machinery and equipment prototypes that meet Zambian standards; (6) Build and strengthen the capacity for testing and evaluation of agricultural machinery and equipment.

3.4.7 Investment Area 4.7 – Spatial Development Initiatives

Spatial Development Initiatives (SDIs) are initiatives that promote investments in selected sectors in specific locations. SDIs can take many forms including investments in the development of economic corridors, economic clusters, focusing on specific sector or groups of sectors, special economic zones, industrial parks, and incubators. Under CATSP, the government will promote SDI with a specific focus on the agriculture and agribusiness sectors to boost agri-food production and processing. The government will promote SDIs by rolling out two PIIs, one devoted to innovating the Farm Block Development Program (FBDP), and second to other SDIs.

PII.4.7.1 – Innovating the farm block and resettlement schemes and enhancing them to include livestock and fisheries sector.

Experience has shown that, when not developed sparingly, farm block schemes have produced white elephants. Unfortunately, the situation in Zambia tends to confirm this trend. For instance,





the Government has put in place basic infrastructure in the Nansanga Farm Block, but little private sector investment has been registered in the farm block resulting in what may be called “sunk development costs”. Furthermore, the farm block development concept has focused on crop production and processing, and less on livestock and aquaculture production and processing. Through the deployment of this PII, the Government seeks to innovate the conceptualization of the farm block policy through, *inter alia*, taking into account private sector interest in investing in farm blocks, and integrating livestock and aquaculture production. In this regard, GRZ will deploy the following measures: (1) Development of the Farm Block Development Program (FBDP) Strategy, and (2) Preparation of Investment Plans for five (3) farm blocks. Through these process measures, innovations for developing farm blocks will be identified. Indicatively, the FBDP Strategy will prescribe linking infrastructure development with value chain organization, agriculture aggregation, connection to inputs and output markets, setting-up institutional arrangements that ensure sustainability and good governance. The development of the FBDP Strategy and the Investment Plans will involve intensive stakeholder consultations. Additionally, the Government is committed to reviewing the Lands Act and the Agricultural Lands Act in order to enhance the legal framework for farm block development.

PII.4.7.2 A & B – Rolling out innovative farm block schemes for crops, livestock, and fisheries sub sectors. Under this PII, the Government seeks to implement the innovative farm block strategy and farm block investment plans developed under PII 4.7.1. To do this, GRZ will finance the following measures: (1) Undertake specific activities of the FBDP Strategy and the investment plans developed under PII.4.7.1 above, (2) Measure, on a regular basis, outcome results associated with the implementation of the strategy and the investment plans, (3) Assess the effectiveness of the strategy and the investment plans on an annual basis. Under this measure, the government will assess private sector response to government investment in public infrastructure.



P11.4.7.3 A & B – Promoting other Spatial Development Initiative for Crops, Livestock and Aquaculture.

Outside farm blocks, the Government will designate some high potential agri-food production areas and deliberately put in place development measures that will promote agricultural production, value addition and agro-exports. These initiatives will be led by the Zambia Development Agency in collaboration with the two Ministries responsible for Agriculture, Fisheries and Livestock. The Government will: (1) conduct an assessment of the management, operations and value of infrastructure of existing SDIs, analyze their governance and sustainability and make recommendations for rehabilitation including management, operations and governance (2) develop a strategic document that identifies the SDIs such as economic corridors, economic clusters, special economic zones, industrial parks, and incubators, focusing on specific sector or groups of sectors; the strategy will prescribe policy guidelines such linking infrastructure development with value chain organization, agriculture aggregation, connection to inputs and output markets, setting-up institutional arrangements that ensure sustainability and good governance, etc. Further the strategic document will identify the priority SDIs to be promoted; (2) design each farm identified priority SDI, in compliance with the policy guidelines; (3) implementing the designed SDI schemes; and (4) measuring the outcome results.



3.4.8 Investment Area 4.8 – Enabling production and supply of safe and quality inputs for crops, livestock production and fish farming.

Private sector will handle production and supply of inputs with government retaining a minor stake through PPPs or public firms commercially operated. The GRZ's major role will be to assure the quality and quantity of inputs, creating conditions where the private sector is encouraged to invest and provide inputs at prices that are competitive and fair.

PII.4.8.1 A & B – Promoting the manufacture of crops, livestock and aquaculture inputs. Increased agricultural productivity and production is reliant on the use of quality inputs. Additionally, production of quality and safe food as part of food security, is dependent on the use of safe and quality inputs. Under this PII, the government will provide an enabling environment for local production of quality and safe inputs. The GRZ commits public funds to (1) review and enact legislation that develops and establishes appropriate standards for the production, importation, handling and blending agricultural inputs (2) audit and upgrade the capacity of Zambia Environmental Management Authority (ZEMA) and the Zambia Medicines Regulatory Authority (ZAMRA) (2) tax exemptions for imports required to establish input manufacture, blending and storage enterprises (3) mechanism to monitor and evaluate impacts and effectiveness of tax exemptions and concessions (4) Equity/cost of public sector investment in PPPs for the commercialization of existing public input manufacturing firms such as the Zambia Animal Vaccine Institute (ZAVI).

PII.4.8.2 A & B – Facilitating the importation of crops, livestock and aquaculture inputs when necessary. Importation of inputs or their components will be enabled where local supply is inadequate and unable to meet local demand or is completely absent. Support will be in the form of (1) structured consultation with the concerned industry to justify the importation; (2) running the process for decision making on tax alleviation on the importation of specific inputs; and (3) the total revenue thus forgone by the Government.



3.5 Sub-program 5 – Infrastructure Development

3.5.1 Investment Area 5.1 – Promoting the development of irrigation infrastructure.



PII.5.1.1 – PPP for the development and management of small, medium, and large-scale irrigation infrastructure. The deployment of this PII is aimed at promoting private sector investment in public irrigation infrastructure like dams and canals.

PPP arrangements in public irrigation infrastructure is likely to enhance utilization of public irrigation infrastructure as opposed to wholly financed public irrigation infrastructure. Government has invested in public irrigation infrastructure, which is underutilized and poorly maintained. The use of PPP arrangements in developing and/or managing public irrigation infrastructure is a better business model that that will result in the sustainable commercial operation of the infrastructure. In this respect, the Government will invest resources to create an enabling environment for private sector participation in development and management of irrigation schemes. The investment will cover: (1) Costs of developing appropriate arrangements for blended public-private financing of irrigation including clear definition of functions of different actors (investment, governance, operation and maintenance, management, etc.); (2) cost of strengthening WARMA’s capacity to efficiently regulate water



permitting and regulate irrigation infrastructure development and partnerships at subnational level; (3) cost to develop and approve procedures for the tendering of irrigation works to private, public-private or joint-venture enterprises and the medium and long-term monitoring and evaluation of impacts; (4) cost of public sector investment in these PPP arrangements.

PII.5.1.2 – Promotion of private small, medium, and large-scale irrigation.

Government is committed to addressing and reducing the constraints to investment, and encourage private investment, in micro and small and medium scale irrigation: surface water, ground water and rainwater harvesting schemes. Through the deployment of this PII and PII 2.2.1, the Government seeks to provide incentives and resources for investment in private small and medium scale irrigation infrastructure and equipment. GRZ is committed to provide resources to finance the cost of: (1) Formulation of a long term irrigation Master Plan (2) Developing and delivering training for private investors in investment opportunities in small-scale irrigation infrastructure, to ensure compliance and sustainability is built into their business models; (3) Targeted smart subsidies to support the development of private small-scale irrigation, including one time cost sharing of the infrastructure development cost; and (4) Running the process for decision making on tax exemptions for specific investments in improvement or maintenance of small scale irrigation, (5) Constructing large dams, medium dams, weirs and canals; and (6) Refurbishing and rehabilitating existing irrigation infrastructure.

3.5.2 Investment Area 5.2 – Developing feeder roads and market infrastructure.

PII.5.2.1 – Development of feeder roads and other market infrastructure. The performance of the agricultural input and output markets is negatively affected by poor and limited infrastructure such as feeder roads, bridges, improved wholesale markets; market aggregation and distribution points with upgraded storage facilities; aggregation points that incorporate processing, value-addition, and storage facilities; and cold chain facilities to facilitate the movement and marketing of perishable produce. The deployment of this PII will lead to improved infrastructure that will promote access to input and outputs markets for various agricultural commodities. The GRZ will commit resources to cover the cost of: (1) Developing a national strategy for development of feeder roads and market infrastructure (2) Construction, rehabilitation and maintenance of feeder



roads (specifically by the NRFA⁵ and the RDA⁶) ; (2) engaging and building the capacity of local and district authorities to prioritise feeder roads and key market infrastructure in their District Development Plans; (3) Developing models for joint financing with other public sector agencies, local authorities and for public-private partnerships for feeder roads and market infrastructure; (4) Establishing dedicated funds within the CDF⁷ and NRFA to provide matching grants for other public or private investments in feeder roads and transport infrastructure; (5) Decision process on fiscal incentives through tax exemptions and subsidies through low interest loans, for private entities partnering with public sector to build feeder roads and market infrastructure.



PII.5.2.2 – Promotion of farmers’ markets and community markets. Aim and Rationale: Farmers’ and community markets aggregation points and help agricultural producers to shorten the value-chains on which they depend for the sale of their produce and help to bring producers and consumers closer together. This PII seeks to ensure that the Government, in conjunction with the private sector and other stakeholders, puts in place improved farmers’ and communicate markets with modern facilities to handle both perishable and non-perishable agricultural commodities. Additionally, the government seeks to

5. NRFA: National Road Fund Agency

6. RDA: Road Development Agency

7. CDF: Constituency Development Fund



ensure that the markets are managed and run on a commercially sustainable basis. GRZ will commit resources to cover the cost of: (1) The review of existing market infrastructure, and the upgrade of these infrastructure; (2) The design of appropriate infrastructure for farmers' and community markets, as well as the development of appropriate models and tools for the management and maintenance of these new markets once they are established; (3) Promoting stakeholder participation in the development of these new markets, encouraging potential private and public entities to work together on their establishment and building the capacity of those entities that would take on management and maintenance functions; and promotional materials to encourage producers and consumers to make use of market structures are also important; likewise, coordination with local government and traditional authorities is critical; (4) Grant funding through the constituency development fund; and (5) Establishing cost-recovery mechanisms, taxation or levies to provide specific funding for the operation and maintenance of farmers' and community markets.

3.5.3 Investment Area 5.3 – Trade facilitation infrastructure development

PII.5.3.1 – Promoting domestic trade facilitation infrastructure. Investing in the promotion and dissemination of information on products from upgraded agricultural value chains will support the development and growth of private enterprises in agri-food systems. The promotion of domestic trade infrastructure will rely on the use of local markets and agriculture expos to showcase the value-added products and services on the market. The GRZ will invest in costs of: (1) An assessment of needs of different value-chain players and buyers in the agriculture sector; (2) Designing and updating trade expos to meet the needs of value chain actors; (3) Organizing trade fairs; (4) Designing and launching a mobile platform facilitating access to input and output markets for value chain players.

PII.5.3.2 – Constructing and Upgrading regional and international trade infrastructure. Increased trade in agricultural commodities and their derivatives, as envisaged in the 8NDP, will require a corresponding improvement in infrastructure at such strategic borders as Kipushi Border Post in Mushindamo District in North Western Province, Kasesha Border Post in Mbala District in Northern Province, and Chanida Border in Katete District in Eastern Province. The improvement in border infrastructure will increase the country's capacity to handle increased agricultural trade volumes and ease pressure on the traditional borders like Kasumbalesa and Nakonde Borders in Chililabombwe and Nakonde, respectively. In deploying this PII, the Government seeks to construct and upgrade trade infrastructure at



boarder points with high potential of handling increased regional and international trade in agricultural commodities. GRZ will provide resources for investments in cost of: (1) Stakeholder consultations on gaps in trade infrastructure around the country; (2) Constructing new facilities at identified strategic ports of entry; such facilities will include storage facilities at market points to prevent product losses (3) Upgrading and rehabilitating facilities at existing borders like Kasumbalesa Border in Chililabombwe District on the Copperbelt, and Nakonde District in Muchinga Province; (4) Maintenance of facilities.

3.6 Sub-program 6: Emergency Preparedness and Response Mechanisms and Nutrition

3.6.1 Investment Area 6.1 – Emergency preparedness

PII.6.1.1 – Surveillance and Prevention of Plant Pests and Diseases. To enhance international trade, preserve the biodiversity, and reduce the cost of disaster management there is the need for a nationally coordinated and targeted surveillance system that supports: the early detection of new pests; reporting of pest free areas and areas of low pest prevalence; and enhances pest incursion responses. The GRZ is committed to cover the cost of: (1) Resourcing the Plant Quarantine and Phytosanitary Services (PQPS) to enhance its capacity to effectively enforce the Plant Pests and Diseases Act No. 11 of 1958 and No. 13 of 1994, and Statutory Instrument No. 69 of 2020; (2) Strengthening the various National Plant Protection Organizations (NPPOs) to provide early warning through to all targeted audiences; (3) Establishing a compensatory mechanism of insurance to provide relief for farms and other agribusiness operations, as an incentive for plant or field registration and early reporting of incidences of plant pest and diseases; and (4) Instituting a well-structured movement restriction of affected crops to safeguard the production of crops. These measures will be complementary to the measures proposed under PII 3.2.1 – Rolling out SPS Measures.

PII.6.1.2 – Surveillance and Prevention of Animal Pests and Diseases. The Government considers essential for Zambia to have an animal disease surveillance and prevention system that meets the World Organisation for Animal Health (WOAH formerly OIE) standards as stipulated in the Terrestrial Code and the Aquatic Code to ensure access to international markets for its livestock and fisheries products; an effective system that will help protect and improve the health, productivity, quality, and marketability of Zambia’s animals and animal products; this will also serve as an early-warning system to provide



data that drives decisions amongst all stakeholders in case of a disease or pest incidence. For that purpose, GRZ, will provide resources to cover the cost of: (1) Ensuring the enforcement of the Animal Act No. 27 of 2010; (2) Building and upgrading national and regional laboratories that are accredited to OIE Quality Standards and Guidelines for Veterinary Laboratories and ISO/IEC 17025:2005; (3) Investment in an animal identification system, movement recording system, event reporting, zoning of the country, and a traceability system to meet the WOA and Codex Alimentarius standards; and (4) Building the capacity of the human resources to meet the management and technical standards.

PII.6.1.3 – Provision of Subsidized Disaster Insurance Products. With the increasing effects of climate change, the occurrence of climate related disasters like floods and droughts are commonplace. Additionally, outbreaks of plant and animal diseases have continued to threaten livelihoods of smallholder farmers. Although some disasters may be preventable, a number of them are natural and uncontrollable. Given the negative socio-economic impact of natural disasters on the livelihoods of smallholder farmers, it is important for the government to ensure that the farmers' resilience is improved. It is for this reason that the government seeks to promote disaster insurance products as a way to mitigate and transfer natural disaster risks. Through the deployment of this PII, the Government will put in place measures that will promote the use of insurance to improve the resilience of smallholder farmers. In this regard, the GRZ will deploy a combination of measures bearing the cost of: (1) Developing and deploying regulation on disaster mitigation; (2) Providing smart subsidies on cost share basis for insurance premiums and investments in disaster mitigation; and (3) Ensuring successful implementation by mainstreaming disaster risk reduction into the national development planning processes (Zambia National Disaster Risk Management Framework, 2017 – 2030).

PII.6.1.4 – Promotion of Seed, Grain and Grazing Reserves and Storage Facilities. Setting-up local seed reserves will help avoid the forced replacement of local varieties through seed relief activities in disaster situations often dependent on the importation of bulk quantities of seed with a uniform character from outside Zambia. Establishing and maintaining strategic grain reserves will support food security for emergencies, stabilise food prices and help the Food Reserve Agency (FRA) stick to its core mandate as a national strategic reserve and not compromise its role to that of a commercial player in the grain market. GRZ is committed to deploy resources to cover the cost of: (1) Construction and operation of a national environmentally controlled strategic seed storage



facility; (2) Developing and enhancing local food systems, (3) FRA procurement of strategic grain reserves; and (4) Establishing strategic grazing reserves in all 10 provinces.



PII.6.1.5 – Knowledge Dissemination Measures and Training of Farmers and Communities on Disaster Preparedness Methods. Disaster preparedness is essential to the elimination or reduction of exposure to risks and accelerates recovery from disasters and their consequences on livelihoods. Effective disaster preparedness requires heavy involvement of farmers and communities at risk as they are the primary actors who will be applying acquired disaster preparedness knowledge and methods on their farms and in their communities. The deployment of this PII, therefore, is aimed at creating awareness and enhancing knowledge, among farming communities, of disaster preparedness and management strategies. GRZ is committed to deploy resources to cover the cost of: (1) Disseminating awareness on the importance of disaster preparedness and (2) Conducting trainings on effective disaster preparedness measures.

PII.6.1.6 – Early Warning System for Natural Disasters. Early warning systems provide farmers and communities with relevant and timely information in a systematic way before, during and after a disaster occurs to enhance their ability to make informed decisions and actions. The GRZ is committed to invest in strengthening the national early working system that reaches all farmers,



including those in marginalized geographic areas. Through the deployment of measures under this PII, the government seeks to ensure that Zambia's national [disaster] early warning system is revamped and integrated to make it more effective. It will bear the cost of building the basic elements of a functional early warning system: (1) Effective monitoring and warning systems through investment in infrastructure and technical management capacity; (2) Developing and disseminating knowledge and awareness of risks; (3) Inclusive and timely dissemination of information on detected natural disasters, and (4) Strengthened national capacity for effective response.

PII.6.1.7 – Provision of Emergency Evacuation Services. Effective emergency evacuation system will allow immediate escape from disaster-hit areas where communities are exposed to imminent threat to their lives and their assets. In order for relevant agencies and arms of government to effectively provide emergency services to farming communities affected by such disasters like floods, the government intends to ensure that such agencies, particularly the DMMU, are adequately equipped. Recently, Zambia has experienced floods that necessitated evacuation of victims in different parts of the country. The scale of such disasters have the potential to stretch the capacities of disaster management agencies. The GRZ is committed to provide emergency evacuation services to populations in need by investing in: (1) The equipment; and (2) Logistics, for an emergency evacuation services to save humans and animal lives during emergency situations.

3.6.2 Investment Area 6.2 – Emergency response

PII.6.2.1 – Rapid Response and Control of Plant Pests and Diseases. While prevention is the most effective pest management strategy, it is vital to have a rapid response strategy in place to address inevitable plant pests and diseases. Through the deployment of this PII, government seeks to strengthen the capacity of agencies that are responsible for responding outbreaks of plants pests and diseases. In this regard, the Government is committed to investing in a comprehensive rapid response strategy by committing resources to cover the cost of: (1) Strengthening of PQPS and Zambia Agricultural Research Institute (ZARI) to (a) conduct regular broad inspections to catch infestations before they spread, and (b) training and equipping the PQPS/ZARI to provide rapid effective response to infestation; (2) Information dissemination and training of farmers to recognize signs of an infestation; (3) Establishment of communication channels to allow farmers to report incidents of infestations; and (4) Funds to research



institutions to research and provide rapid response solutions for plant pest & diseases.

PII.6.2.2 – Rapid Response and Control of Animal Pests and Diseases. As with outbreaks of plant pests and diseases, prevention of animal pests and diseases is the most effective management strategy. However, it is vital to have a rapid response strategy in place to address inevitable animal pests and diseases. Such a strategy will ensure that animal disease outbreaks are prevented from spreading to large areas. The deployment of this PII, therefore, is aimed at establishing and maintaining a response mechanism that will effectively contain the spread of animal pests and diseases.

GRZ is committed to investing in a comprehensive rapid response strategy by committing resources to cover the cost of: (1) Strengthening of the Disease Control Unit of the Department of Veterinary Services to (a) develop and effectively implement a comprehensive surveillance, and (b) training and equipping the DVS to provide rapid effective response to diseases and infestations; (2) Information dissemination and training of farmers to recognize signs of an infestation; (3) Establishment of communication channels to allow farmers to report incidents of infestations; and (4) Funds to research institutions to research and provide rapid response solutions for animal pests and diseases.

PII.6.2.3 – Provision of Special Market Interventions Methods to Stabilize Markets in Crisis Following a Disaster. Areas undergoing emergency situations or disasters might require special government intervention to stabilize the resultant vulnerability of the market. These special intervention methods, limited in duration, could include direct payments to farmers, establishment of price interventions, and other disaster relief efforts that enable the agricultural market to recover from its state of emergency. When implementing such interventions, the government should be cautious in controlling prices; it should not make an activity unprofitable as traders tend to avoid marketing commodities that are price controlled.

This can lead to increased shortages of essential agricultural goods and market speculation at the expense of consumers.

GRZ will deploy resources to cover the cost of: (1) Creation of a disaster relief fund within the DMMU; (2) Direct payments to farmers for damages not covered by insurance; (3) Administering the fund and monitoring these subsidies.



PII.6.2.4 – Rehabilitation of Affected Areas. Rehabilitation and reconstruction are often required after a natural disaster if the economy is to recoup and recover from it. Public investment efforts in post-disaster infrastructure rehabilitation and reconstruction are necessary to restore the regular functioning of the economy. The GRZ will aid the rebuilding efforts after disasters by committing resources to cover the cost of: (1) Funding the rebuilding and rehabilitation of damaged public infrastructure; (2) Supporting NGOs who engage in rehabilitation and rebuilding work through subsidies and tax exemptions on services and materials utilised for rehabilitation purposes; and (3) The process for decision making on tax breaks to for profit organizations supporting the rehabilitation of affected areas.



3.6.3 Investment Area 6.3 – Social protection schemes

PII.6.3.1 – Provision of food subsidies, food rations, food stamps or coupons to targeted areas or demographics. Food-based assistance program, as part of the broader social protection agenda, will aim to address vulnerability and social exclusion, protect vulnerable households against livelihoods risks, maintain an adequate level of food consumption and improve food security. The distribution of food or food vouchers will give beneficiaries additional resources to purchase food, which will contribute to maintaining caloric intake and diet quality. Food vouchers may be restricted to certain types of food to trigger increased consumption and intake of selected nutrients. The GRZ is committed to bear the cost of: (1) Designing or improving the design of the food-based assistance program; (2) Rolling-out the food-based assistance program (food ratios, food stamps or coupons, etc.); (3) Monitoring and ensuring that food aid is only going to targeted demographic; and (4) Studies to determine the effectiveness of the program and review if necessary.

The government will also need to be cautious to ensure markets are functioning and food is available so that vouchers will be appropriate in stimulating the local economy. If food is not available on the market, they can have inflationary effects.

PII.6.3.2 – Instituting conditional cash transfer scheme. Social cash transfers are a popular strategy for reducing poverty and improving health and education outcomes in poor communities. Conditional cash transfers provide to households, money with stipulations, or under specific behavioural conditions.

Conditions usually include such things as requiring families to bring children in for regular health check-ups, enrolling children in school or, in the case of adults, testing negative for sexually transmitted infections. The GRZ will commit resources to cover the cost of: (1) Reviewing existing social cash transfer program (which is very popular and implemented by community development) to address existing gaps and enhance it; (2) Administering and operating the scheme, and (3) Monitoring to ensure it effectively targets vulnerable groups.

PII.6.3.3 – Instituting Unconditional Cash Transfer Scheme. Unconditional cash transfers will entail transfers of cash made by government or non-governmental organizations to individuals or households identified as highly vulnerable, with the objective of alleviating poverty, providing social protection, or reducing economic vulnerability. Included in this category are social pensions to the elderly, disability grants, child support grants, and several pilot cash transfer



schemes. Unconditional cash transfer schemes aim to reduce poverty by providing welfare programs without any conditions upon the receivers' actions based on the premise that giving cash to citizens provides them a safety net and thus allows them to have autonomy over their own lives. The GRZ will commit resources to cover the cost of: (1) Administering and operating the unconditional cash transfer scheme, and (2) Monitoring to ensure it effectively targets and benefits vulnerable groups.

3.6.4 Investment Area 6.4 – Promoting Nutrition Sensitive Agri-food systems.

One of the goals of CATSP is to improve nutrition at household and national levels. Thus, nutrition interventions under the program will not be limited to the PII measures under this investment area. Nutrition activities will be part of various farm level program interventions, particularly interventions under Sub Program 4: Support to Agricultural Research and Production. Under the promotion of CSA (PII 4.1.1), production and productivity of nutritious commodities such as common beans (including nutrient-dense bean varieties), cowpeas and groundnuts will be promoted and will be rotated with maize, which is one of the priority value chains and is a dominant crop among small-scale farmers. Additionally, rearing of free-range (village) chickens and small ruminants like goats will be promoted among small-scale farmers irrespective of the priority value chains they choose to participate in. The specific activities aimed at promoting nutrition sensitive agri-food systems are described under the respective policy implementation instruments below.





P11.6.4.1 – Implementing Micronutrients Initiative Programs. Malnutrition in Zambia takes many forms and is widespread. Despite concerted efforts to address it, malnutrition in Zambia still remains a major public health concern. Micronutrient deficiencies are more likely to be found amongst the most resource poor, food insecure and vulnerable households in the country. Food fortification and bio fortification programs make an important contribution to the reduction of micronutrient malnutrition when and where existing food supplies fail to provide adequate levels of certain nutrients in the diet. Implementing food fortification programs will bring about good nutrition to enhance physical and cognitive development, prevents disease, and increases the potential of the workforce and the society at large.

The GRZ is committed to providing resources to cover the cost of: (1) Studies to assess nutrient deficiencies in the population; (2) Setting fortification standards and creating legislation to enforce them including; (a) consultancy for design and revision, (b) stakeholders consultation, (c) adoption of the legislation, (d) capacity building of implementing agencies; (3) Process for decision making for tax alleviation on imports equipment and ingredients for food fortification; (4) Decision making on other tax incentives for companies effectively manufacturing and supplying fortified food in Zambia; (5) Communication and social marketing of program; (6) Assessing the impact of micronutrient initiatives program; and (7) Administering and managing fortification program.





P11.6.4.2 – Implementing Measures to Strengthen Dietary Diversity.

Strengthening the link between agriculture and nutrition will be critical to improve availability of and access to nutrient-dense local foods to improve dietary diversity and reduce nutrient gaps among pregnant and lactating women and children 6–23 months of age in Zambia. The agriculture pathway to diet diversification will be achieved through the following interventions: (a) support to diversified farming systems and diversified income sources; (b) increase production of nutrient-dense foods, particularly locally adapted varieties rich in micronutrients and protein, chosen based on context assessment and local nutrition issues (e.g. increase production of legumes for their nutritional value – they are rich in energy, protein and iron); (c) promote horticultural crops which can improve micronutrient intakes and dietary diversity; (d) produce animal-source foods on a small scale to improve intake of micronutrients, protein and fat (e.g., promotion and support of poultry and small livestock holdings); and (e) promote the use of nutritious, underutilized wild variety foods to address the multiple forms of malnutrition. In this respect, GRZ is committed to providing resources to cover the cost of: (1) Research on nutritional value of local varieties of various commodities; (2) Communication and social marketing of program; (3) Capacity building of district level agencies on interventions mentioned above; (4) Training communities to produce diverse vegetables, livestock; and (5) Smart subsidies to households that have received training and are adopting diversified farming systems.

P11.6.4.3 – Implementing Measures to provide and Distribute Specific Food for Therapeutic and Nutritious Purposes to Targeted Demographics.

It is essential to ensure that the micronutrient needs of people affected by a disaster are adequately met. Emergency context can cause acute or chronic malnutrition due not only to an inadequate food intake, but also to limited access to potable water, hygiene and health services that lead to recurrent infections that translate into increased nutritional needs for recovery. Micronutrient deficiencies can easily develop during an emergency or be made worse if they are already present. To address this, it is critical that general food rations are adequate and well balanced to meet nutrient needs, and that they are distributed regularly and in sufficient quantities until the emergency has been overcome. The GRZ is committed to providing resources to cover the cost of: (1) Buying and distributing therapeutic foods to targeted demographic groups, including school going children; (2) Decision making on tax incentives to promote the manufacture of therapeutic foods; (3) Administering, managing and monitoring program; and (4) Developing and disseminating knowledge packages for the promotion of the program.



PII.6.4.4 – Dissemination of Information on the Benefits of Better Hygiene Practices. Raising awareness of good hygiene practices reduces the incidence of water and food borne diseases and contributes to the population’s general health. The GRZ will make the needed investment to promote better hygiene practices. This PII will be deployed as part of CATSP interventions involving interactions with smallholder farmers, who are the target audience for the Better Hygiene Campaign. In this respect, the Government will cover the cost of: (1) Developing and adapting knowledge packages to raise awareness about better hygiene practices; (2) Social marketing of the Better Hygiene Campaign; and (3) Support for NGOs, Private Sector, and Civil Society Organizations working to raise awareness of better hygiene practices by educating the public.

3.7 Sub-program 7: Sustainable Management of Natural Resources

3.7.1 Investment Area 7.1 – Conservation and Sustainable use of Natural Resources

PII 7.1.1 – Performing and Implementing Payments for the Environments Schemes where Appropriate. According to the Zambia National Strategy to Reduce Emissions from Deforestation and Forest Degradation (2015), Zambia has one of the highest rates of deforestation estimated at between 250,000 and 300,000 hectares per annum. The strategy further cites agriculture as one of the drivers of deforestation and forest degradation in Zambia. Specifically, the strategy itemizes the following as the agricultural related drivers of deforestation and forest degradation in Zambia: (a) extensive and unsustainable crop production practices, (b) poor livestock management practices, (c) agro-processing reliance on wood fuel, (d) lack of incentives for agricultural intensification, and (e) use of fire for land preparation. Consequently, the strategy has adoption of good agricultural practices that mitigate carbon emissions as one of its objectives.

Agricultural activities can be beneficial to the environment and protect ecosystems. The GRZ is committed to rewarding farmers who practice agricultural activities that are beneficial to ecosystems through direct payments, since the benefits are public goods and are critical for the development of sustainable commercial agriculture. In this respect, The Government will mobilize international (e.g., climate funds) and domestic resources to invest in bearing the cost of: (1) Developing the governing structure, establish the conditionalities, processes and procedures for a transparent and fair mechanism to provide incentives for agricultural practices that are public goods and preserve the environment; (2) Mobilization of climate funds through carbon market access facilitation; and (3)



Provision of incentives, through direct payments, to farmers who practice the climate and environment friendly practices.

PII.7.1.2 – Defining and Enforcing Standards and Measures to Reduce the Pollution of Land, Air and Water from Agriculture. Defining and enforcing standards and measures to reduce the pollution of the environment such as from agriculture is very important because economic activities of some enterprises in the agri-food system cause environmental externalities. Additionally, good water quality remains an integral part of producing quality and safe agricultural products. Through the deployment of this PII, the government will ensure that relevant government agencies have the requisite capacities to monitor, inspect and enforce standards put in place to reduce land, air and water pollution caused by agricultural and agribusiness activities. The Government of the Republic of Zambia is committed to bear the cost of: (1) Resourcing the Zambia Environmental Management Agency (ZEMA) to review and enforce the environmental protection and pollution control measures of the Environment Management Act, 2011 activities in the agri-food sector; (2) Resourcing WARMA to effectively enforce the adherence to Ambient Water Quality Standards and Guidelines (ZS1182 and ZS1183) as good water quality remains an integral part of producing good quality agricultural products. (3) Sensitize critical value chain players and build their capacity to comply with the regulation on environmental protection and pollution; and (4) Review, repeal and replace the Environmental and Pollution Control Act, 1990.

PII.7.1.3 – Promoting Sustainable Management of the two (2) Major River Basins in Zambia. Integrated river basin management provides the necessary institutional framework that ensures a participatory development approach with a well-structured governance that involves all the interested groups in the catchment. GRZ is committed to developing the two (2) major river basins in Zambia to meet their agri-food potential while preserving their respective ecologies. This entails, WARMA working with Zambia Agriculture Transformation Trust Fund - Company, local Governments and value chain players to ensure a sound management of the river basins. To this effect, government will deploy the following measures: (1) Delineation and designation of catchments and sub-catchments, and establishing their respective governance structures (2) Collaborative efforts between all users of each river basin to develop a spatial plan, which include land development, irrigation infrastructure, ecosystem protection; (3) Possibly, the setting-up of dedicated agencies (private sector led) for land development, irrigation, landscape management; (4) Mobilizing



resources for the implementation of land development and irrigation schemes, along with ecosystem protection activities, and (5) Sensitization the public and policy makers alike on importance of conserving water catchment areas.



PII 7.1.4- Enhancing Water Resources, Planning, Development and Management for productive water use. Although Zambia is endowed with fresh water, the country does not have adequate infrastructure to make the available water accessible for various uses, including irrigation. The Government should put in place infrastructure for water harvesting in order to create access. Additionally, there should be systems and structures in place to enable advance planning to avoid scramble for the limited water resources. Under this PII, therefore, the Government will deploy the following measures: (1) Planning for water harvesting and bulk water transfer infrastructure for both surface and ground water; (2) Develop plans on allocation and water usage. These measures will be deployed in line with measures under PII 5.1.1 and PII 5.1.2 under Investment Area 5.1: Promoting the development of irrigation infrastructure.

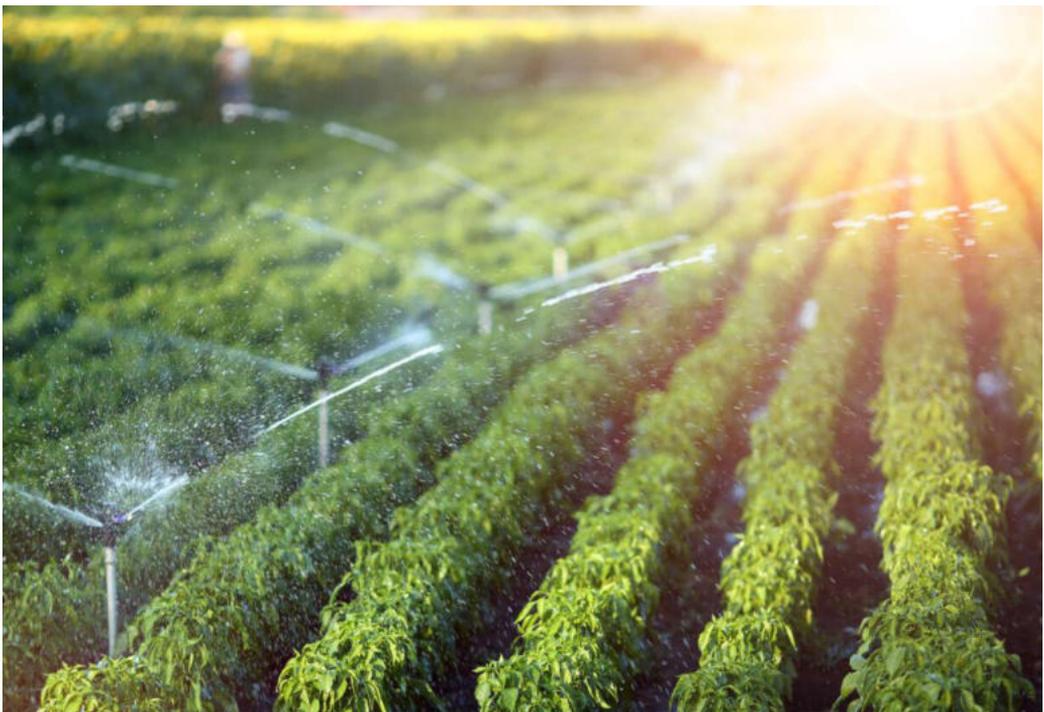
Investment Area 7.2 – Promoting the Use of Water and Energy Efficient Practices

PII.7.2.1 – Promoting and Supporting the use of Water Efficient Practices and Technologies in Agriculture and Agricultural Value Chains. The GRZ will provide: (1) resources for the Government’s contribution for a one-time payment under a cost sharing arrangement with the actors who adopt water efficient practices.



(2) As part of aggregation of smallholder water users, communal water abstraction permits will also be provided to enable bulk water supply guaranteeing individual smallholders water security.

PII.7.2.2 – Promoting the Development and Dissemination of Renewable Energies in Agriculture. Renewable energy utilizes natural cycles and systems—such as sunlight, wind, tides, biomass, hydroelectric and geothermal heat—to create energy in a form ready for human consumption. These sources differ from fossil fuels in that they can be replenished, and their use produces little—if any—greenhouse gases. The deployment of this PII is aimed at putting in place an incentive mechanism that will promote adoption of renewable energies in agricultural and agribusiness systems. In this respect, the Government is committed to (1) promoting the adoption of sustainable low-carbon energy sources such as wind power, solar, geothermal, or hydroelectric, (2) Re-organizing rural and urban dwellings and transport systems to make them more energy-efficient and carbon-neutral, (3) Conducting a survey on farmer energy preference and suitability (4) Possibly establishing a dedicated unit to oversee the adoption of renewable energy with a clear governing structure specifically for agriculture, and (5) Providing resources for a one-time payment under a cost sharing arrangement with the actors who adopt renewable energy technologies.





INSTITUTIONAL ARRANGEMENTS

4.0 INSTITUTIONAL ARRANGEMENTS

The policy oversight of the implementation of CATSP will be the responsibility of the High Council for Agriculture Transformation (HCAT), which will be chaired by the Minister of Finance and National Planning and will draw its members from among relevant Cabinet Ministers, heads of relevant Government agencies and representatives of the private sector. The institutional framework of the Program will include CATSP Steering Committee (CSC) that will report to the HCAT and will provide technical oversight of the implementation of CATSP. Among other key roles of the CSC is the consideration and approval of CATSP Annual Plans and Budgets. The implementation of CATSP Sub Programs will be the responsibility of relevant Government Ministries, Provinces and other Spending Agencies (MPSAs).

The MPSAs will be grouped in MPSA Clusters, according to the sub programs. Each MPSA Cluster will be led by a Cluster Leader – an MPSA that will take the lead in the implementation of the sub program. The day-to-day coordination of the implementation of CATSP will be the responsibility of the Agricultural and Rural Economy Transformation Agency (ARETA), a stand-alone agency reporting to the CSC with staff assigned responsibility to oversee and support the day-to-day implementation of CATSP, Annual Work Plan and Budgets. As part of the institutional arrangements, CATSP will promote regular policy dialogues at various geographical levels. The dialogues will inform the regular assessment of policies with a view to ensuring that policies are reviewed from time to time, in order to make CATSP policy environment conducive. The details of the institutional arrangements of CATSP are outlined below. The establishment of CATSP institutions and structures will be done as part of the deployment of measures under PII.1.1.2.

4.1 Steering

4.1.1 High Council for Agriculture Transformation

The High Council for Agricultural Transformation will be the highest oversight body of CATSP. Its composition and roles and responsibilities are provided below.

Composition. The HCAT will comprise the Minister of Finance and National



Planning, Minister of Agriculture, Minister of Fisheries and Livestock, Minister of Commerce, Trade and Industry, Minister of Lands and Natural Resources, Minister of Small and Medium Enterprise Development, Minister of Green Economy and Environment, the Bank of Zambia Governor, the Representative of Farmers Union, the Chairperson of the Bankers Association of Zambia (BAZ), the Chairperson of the Zambia Agricultural Transformation Trust Fund, the Chairperson of the Grain Traders Association of Zambia (GTAZ), the Chairperson of the Millers Association of Zambia (MAZ) and the Chairpersons of the Industry Associations that will be formed as part of the Value Chain Development Plan Agreements.

Roles and Responsibilities. Overall, the HCAT will be responsible for the policy oversight of the implementation of CATSP. Specifically, the following will be the roles and responsibilities of the Council: (1) receive, consider and approve the high level CATSP annual work plan and budget; (2) receive, consider and approve CATSP implementation progress reports; (3) provide policy guidance to, and resolve any policy issues or bottleneck surrounding and negatively affecting, the implementation of CATSP and the agricultural transformation agenda in general; and (4) Consider and approve recommendations for amendments to CATSP Legislation prior to consideration and approval of such amendments by Cabinet and submission to Parliament.

Meetings. The HCAT will hold scheduled quarterly meetings that will take place not later than the forty-five calendar days after the end of each calendar quarter. The Head of the Presidential Delivery Unit (Secretariat for HCAT), after consultations with the Minister of Finance and National Planning and the Secretary to the Cabinet, will issue meeting invitations at least two weeks prior to the date of the meetings. The HCAT may hold unscheduled specials meetings at the request of any member of the council if a matter that requires the urgent attention of the council prior to the date of the next scheduled meeting. The notice for such special meetings shall be at least one calendar week.

Secretariat. The PDU will be the Secretariat of the HCAT and will be responsible for presenting reports on the implementation of CATSP to the HCAT, taking and keeping records of proceedings of HCAT Meetings and following up the implementation of the resolutions of the HCAT.

4.1.2 Steering Committee

CATSP Steering Committee will be responsible for the technical oversight



of the implementation of the Program. The composition and the roles and responsibilities of the Committee are detailed below.

Composition. CATSP Steering Committee will be chaired by the Secretary to the Cabinet and the following will be its other members: Secretary to the Treasury, PS- Cabinet Office Strategic Planning Deputy Secretary to the Cabinet (Finance and Economic Development), Permanent Secretary (PS)- Agriculture, PS - Fisheries and Livestock, PS - Commerce, Trade and Industry, PS - Lands and Natural Resources, PS - Small and Medium Enterprise Development, - Office of the Vice President (OVP), PS - Green Economy and Environment, Representative of the Civil Society, the Deputy Governor Operations - Bank of Zambia, the Chief Executive Officer - Zambia National Farmers Union, the Chief Executive Officer - Bankers Association of Zambia, the Executive Secretary of the Zambia Agricultural Transformation Trust Fund, the Executive Secretary – Zambia Association of Manufacturers and the Executive Secretary of the Industry Associations that will be formed as part of the Value Chain Development Plan Agreements.

Roles and Responsibilities. Overall, the CSC will be responsible for the technical oversight of the implementation of CATSP. The following will be the specific roles and responsibilities of the Committee: (1) receive, consider and approve the detailed CATSP annual work plan and budget; (2) receive and consider CATSP implementation progress reports as consolidated by the ZARETA; (3) provide technical guidance to, and resolve any technical issues surrounding and negatively affecting, the implementation of the CATSP; (4) consider and submit to the HCAT recommendations for amendments to the CATSP Legislation; and (5) supervise the Agricultural and Rural Economy Transformation Agency (ZARETA).

Meetings. The CATSP Steering Committee will meet at least every quarter not later than twenty-eight days after the end of each quarter. The Head of the Agricultural Transformation Agency, in consultation with the Secretary to the Cabinet, will issue meeting invitations at least two calendar weeks before the date of the meeting. As with the Council, the CSC may hold special meetings to discuss and resolve any urgent matters/issues that cannot wait until the next scheduled Committee meeting. The notice for such special meetings shall be at least one calendar week.

Secretariat. The ZARETA will be the Secretariat of the CSC and will be responsible for presenting reports on the implementation of CATSP to the Committee, taking and keeping records of proceedings of CSC Meetings and following up the implementation of the resolutions of the Committee and those of HCAT.



4.2 Program Coordination Arrangements

4.2.1 The CATSP accountability system

During the launch year (2024) the Ministry of Finance and National Planning will oversee the preparation and adoption of CATSP accountability system. In compliance with the regulations in force, this accountability system will include modules on programming, planning, budgeting, expenditure control, procurement, monitoring & evaluation and periodic reporting. Its enforcement through the arrangements described below, will result into improving the quality of public expenditures in agriculture, and subsequently enhancing the business climate for agriculture. In 2024, the medium-term expenditure framework (MTEF) will be adapted to accommodate the respective budget lines required for the implementation of the PIIs by concerned MPSAs.

4.2.2 Sub-program coordination mechanisms

The implementation of PIIs under each sub program will be the responsibility of relevant implementing agencies that may be a Ministry, Province and other Spending Agency of Government with the exception of the implementation of facilities under the ZATTF. There is no single agency that will be responsible for the implementation of all PIIs under each Sub-Program. Thus, the implementation of each sub program will be the responsibility of multiple MPSAs, which will be called Sub Program Cluster of MPSAs. The coordination of the implementation of CATSP Sub Programs will be the responsibility of the Cluster Lead Agency (CLA) as identified by the Interim Strategic Coordination Unit (which will be institutionalized as ZARETA) based on mandate. The coordination of implementation of sub program activities will, therefore, be the responsibility of CLAs. Sub Program coordination mechanisms comprise Cluster Planning and Review Meetings that will be held quarterly. The CLA will be responsible for organizing and chairing the cluster meetings. CLAs will also be the Secretariat of their respective clusters.

The coordination of activities under Sub Program 2 will be the responsibility of the Office of the Executive Secretary of the ZATTF under the overall supervision of the ZATTF Board of Trustees. The main coordination mechanism of the sub program will be through Quarterly Planning and Review Meetings of the Fund. The meetings will be organized and chaired by the Office of the Executive Secretary and will be attended by heads of the each of the three pillars of the Fund – the Risk Sharing, Financial Services and Non-Financial Services Pillars.



The meetings of the Board of Trustee of the Trust Fund will provide the apex and overall coordination mechanism of the sub program.

4.2.3 Overall program coordination

The effective implementation of CATSP will hinge on the strength of the integration of the implementation of various sub programs all the way down to the deployment of the PII measures. To achieve optimum integration of various facets of the Program, there will be need for effective coordination. The intra sub program coordination is described in Section 4.2.2 above. The overall day-to-day coordination of CATSP will be the responsibility of the Zambia Agricultural Transformation and Rural Economy Agency. The Agency will ensure effective coordination of the implementation of CATSP at program, national, provincial and district levels through various existing and new structures as detailed below.

Program-Level Coordination. At the Program level, the ZARETA will directly coordinate the implementation of sub programs. This will be done through Annual Planning and Review Meetings of Sub Program Cluster Agencies. These meetings will be preceded by intra sub program cluster meetings and similar meetings of Trust Fund referred to under Section 4.2.2. There will also be quarterly sub program level quarterly planning and review meetings that will feed into Steering Committee and High Council meetings. On a regular basis, the ZARETA will interact with CLAs. To foster this coordination, the structure of the ZARETA will include sub program coordinators who will be interacting with CATSP Focal Point Officers in CLAs and other MPSAs including the Executive Director of the Trust Fund. To this effect, each CATSP MPSA will appoint a CATSP Focal Point Person and his/her alternate.

National-Level Coordination: Beyond the Program-level inter sub program coordination, CATSP will be achieved through the CSC and the HCAT.

Provincial-Level Coordination: As the implementation of the CATSP will be mainly done through existing structures of the implementing agencies, the coordination of the CATSP at provincial level within the sub program will be the responsibility of the office representing the CLA responsible for the sub program. Across sub programs, the Secretary to the Provincial Development Coordinating Committee (PDCC) will be designated CATSP Provincial Coordinator and will be responsible for the coordination of the Program. Coordination at provincial level will be achieved through monthly meetings chaired by the Provincial Permanent Secretary.



The Provincial CATSP Coordinator will organise and coordinate the provincial meetings at which sub-program implementation progress will be reported by respective CLAs. All provincial based sub program cluster members will participate in the monthly implementation and coordination meetings.

District-Level Coordination: At the district level, the coordination of the CATSP will be the responsibility of the Secretary to the District Development Coordinating Committee (DDCC) who will also be designated CATSP District Coordinator. He/she will be responsible for organizing and coordinating district level CATSP monthly coordination meetings at which district-level CATSP CLAs will participate and present implementation reports. The meetings, which will be chaired by respective district commissioners, will discuss implementation progress, and address any program coordination issues.

4.2.4 Monitoring Performance of Sub-programs

Objective and Rationale. The performance of sub programs is concerned with the implementation of sub program annual work plans and budgets. Monitoring the performance of sub programs will focus on tracking progress in deployment of measures and facilities, and associated expenditures under each sub program vis-à-vis the AWPBs⁸. The overarching objective of monitoring the performance of sub programs, therefore, will be to ensure that the right measures are deployed on time as planned and utilization of funds disbursed towards deployment of the policy measures are neither misapplied nor misappropriated. Thus, the two key parameters that will be monitored are the rate at which policy measures are deployed and utilization of funds disbursed for purposes of deploying the measures.

This will be achieved with the aid of the Planning, Monitoring and Evaluation System that will be developed as part of the CATSP Accountability System. Financial controls will be achieved through the existing Integrated Financial Management Information System, which may be improved if any inadequacies are observed. Below is the amplification of how the two parameters will be monitored.

Monitoring Deployment of Policy Measures. Sub Program AWBPs will be the bases for monitoring deployment of policy measures by each implementing agency. Implementing agencies will, on an annual basis, develop realistic time frames and come up with cost estimates for deployment measures assigned

8. Annual work plans and budgets.



according to their mandate. On a quarterly basis, implementing agencies, as MPSA Clusters, will report to the ZARETA, progress in the implementation of the AWPBs. These reports will enable the ZARETA to determine how well the deployment of measures is progressing, any causes of negative variances and put in place any control measures where negative variances are observed. The Planning, Monitoring and Evaluation System will be the major tool that will be used to track the deployment of the CATSP policy measures.

Monitoring the Utilization of Financial Resources: With the use of IFMIS, the Office of the Accountant General and the Controller of Internal Audit under the Ministry of Finance and National Planning in conjunction with the ZARETA, will ensure that necessary controls are put in place to ensure that funds disbursed for the deployment of CATSP policy measures are used for the intended and not any other purpose. The AWPBs and the associated quarterly progress reports will still be the bases for tracking CATSP expenditure. The analysis of the expenditure on the deployment of CATSP measures will reveal adherence to the Government and CATSP financial rules and policy lines.

4.2.5 Monitoring and evaluation of sector results

The monitoring and evaluation of the CATSP will be implemented in line with the Planning, Monitoring and Evaluation System developed under PII.1.1.2. The system, which will be part of the CATSP Accountability System, will be used to track implementation of annual work plans and budgets, including the performance of sub programs as described in Section 4.2.4 above. The monitoring and evaluation of sector results will focus on the Levels Two and Three of the CATSP Results Framework. Level Two Results are the CATSP output level results arising from the positive response by the private sector to Government's deployment of policy measures. These will be the intermediate results that will lead to the achievement of the outcome results (or Level Three Results) of the Results Framework. They include increased investment in additional production area, processing, uptake of technologies. Level Three Results of the Results Framework are the CATSP outcome level results that include increased food and nutrition security, increased job creation, increased agricultural exports, reduction in food imports, increased value addition and increased contribution to GDP. The CATSP outcome level results will be generated logically by the output level results arising from increased private sector investments as described above. The description of how the CATSP output and outcome level results will be monitored and evaluated is provided below.



Monitoring and Evaluation of CATSP Output-Level Results. The gestation period for the private sector to respond to the enabling environment created through the deployment of various policy measures under the CATSP will be varied; this will range from the short term to long term; the response is not expected to be immediate. The M&E System will track, and report increased investment by farmers and firms that will be registered as beneficiaries of the policy measures deployed by MPSAs. The beneficiaries will include those actors registered under the Agricultural Aggregation Alliances (3As) and those that will be members of the industry associations established and promoted as part of the Value Chain Development Plan Agreements.

The increase in investments by these farmers and firms will be monitored on an annual basis, and to the extent possible, the attribution of the increases to the CATSP interventions will be assessed. The approach recognises that with or without CATSP, some increases in investment by the private sector would still be registered. There will be increased investments that will be directly attributed to the CATSP as they will be financed by the Trust Fund established under the CATSP. Monitoring of investments by beneficiaries of the CATSP Trust Fund will be done through the 3As report and the all-players inclusive digital platform for operations visibility and traceability. The evaluation of the CATSP output level results will be conducted as an assessment of the effectiveness of the deployment of measures deployed by MPSAs with the context of CATSP.

Monitoring and Evaluation of CATSP Outcome-Level Results. The key question that this section seeks to answer is 'How will the CATSP Outcomes be monitored and evaluated?'. The Third Level of the CATSP Results Framework consists of the short, medium, and long-term impacts of the output level results. As stated above, these results include food and nutrition security, job creation, value addition, increased exports, reduction in food imports and increased contribution to economic growth.

The achievement of the outcome results will be monitored on an annual basis in accordance with the baseline values and planned targets. The main assessments of the outcome results will be conducted at midterm and towards the end of the Program implementation period. In between the two main assessments, the achievement of the CATSP outcome results will be assessed through the annual assessment of policies - a measure specified under PII.1.1.4. The purpose of the evaluation of the outcomes will be to generate evidence of how outcome targets are being met or otherwise.





The evaluation will further provide the analytical evidence of any variances in the achievement of outcome targets.

4.2.6 Fiduciary management

The CATSP financial management and procurement will comply with the regulations in force, and with the additional rules prescribed in the newly established CATSP accountability system. For that purpose, the capacity of all concerned MPSAs will be strengthened.

4.3 Policy dialogue

The fundamental principle of the CATSP is that it is a policy instrument-based investment program, and the success of its implementation will hinge greatly on the deployment of the right policy measures by government. These policy measures may be those within the CATSP but may also include those outside the CATSP but may affect the effectiveness of the measures deployed within the jurisdiction of the CATSP. It is imperative, therefore, that CATSP provides for platforms that support regular policy dialogue among stakeholders. These policy dialogues will inform and be informed by the regular policy reviews that will be conducted under PII.1.1.4. The policy dialogues will be conducted at various levels (local, provincial, and national) and will involve CATSP stakeholders at all these levels. It is at the policy dialogues that the deployment and effectiveness of the CATSP policy measures will be discussed by stakeholders. The outcome of the policy dialogues will feed into the CATSP annual planning that should commence in June of each year in order to fit within the national annual budget planning cycle.

District Level Policy Dialogues. At the district level, the policy dialogues will be coordinated by secretariat of the District Development Coordinating Committee and will be in form of a physical platform at which the implementation of the CATSP will be presented and discussed. The dialogue will take place once a year and will discuss progress in the implementation of the agricultural transformation agenda at the local/district level. The district policy dialogue meetings, which will be held in March of each year, will make recommendations that will be taken up at national level through the provincial policy dialogues.

Provincial Level Policy Dialogues: Provincial Policy Dialogue forums will be held in April or May of each year and will generate their own policy issues and discuss policy issues and recommendations from district-level policy dialogues.



The provincial policy dialogue meetings, which will also discuss CATSP implementation, will make policy recommendations to the National Policy Dialogue Forum. The forums will be organized and coordinated by the Secretariat of the Provincial Development Coordinating Committee.

National Level Policy Dialogues: The National Level Policy Dialogues will be held in June of each year and will draw participation from all agricultural and agribusiness stakeholders. The national policy forum will generate and discuss policy issues generated by itself, policy recommendations from district and provincial dialogues, and the policy recommendations from the regular assessment of policies conducted by policy units in line with P.I.I. 1.1.4. The outcomes and recommendations of the National Policy Dialogues will be presented to the HCAT through the CSC. The decision of the HCAT on the recommendations of the National Policy Dialogue will be presented to the Public-Private Dialogue Forum (PPDF) by the Agricultural Working Group of the Forum. Overall, the policy recommendations arising from policy dialogues as shaped by the HCAT and the PPDF will feed into the CATSP Annual Work Plan and Budget and, therefore, the National Budget. The ZARETA will be the Secretariat of the National Level Policy Dialogue.





BUDGET

5.0 BUDGET

The main basis of the CATSP budget is the costing of the PIIs. This means that this budget reflects the real commitment of the Government, to implement this agricultural transformation policy, by investing public resources in implementing policy instruments that are more likely to improve Zambia's EBA scores.

The improved business climate thus generated by the improvement in the quality of public expenditure, will result into an increase in private sector investments. The potential volume of private investments that will be generated by these public investments is one of the output indicators of the CATSP. It will be calculated and updated during the preparation of the successive Value Chain Development Plan Agreements, an exercise which will be conducted during the second half of 2023. Indeed, each VCDPA will specify the level of investments required at farm and firm levels, to generate the desired outcomes.

Budget costs per Sub-program and Investment Area. Table 5 below presents the CATSP budget by sub-program and investment area while the detailed budget showing measures is provided as an Annex. The total program budget is USD 5.7 billion (approximately K113.8 billion) as is broken down as follows: USD 1.02 billion (18%) allocated to 2024 (inclusive of the budget for preparatory activities), USD 1.33 billion (23%) allocated for 2025, USD 1.35 billion (24%) for 2026, USD 1.09 billion (19%) for 2027, and USD 905.8 million (16%) for 2028. The budget allocations by sub-program are as follows: Sub-program 1: Institutional Development and Program Management – USD 1.42 billion (25%); Sub-program 2: Innovative Financial and Risk Sharing Facilities – USD 6.6 million (0.1%); Agriculture Marketing, Trade and Industry – USD 734.64 million (13%); Sub-program 4: Agricultural Research and Production Support – USD 1.03 billion (18%); Sub-program 5: Infrastructure Development – USD 828 million (15%), Sub-program 6: Strengthening Emergency Preparedness and Response Mechanisms, and Nutrition – USD 711 million (13%); and Sub-program 7: Sustainable Development of Natural Resources – USD 964.7 million (17%). The bulk of resources under sub-program 1 is meant for resourcing the Trust Fund, which will be administered under Sub-program 2: Innovative Financial and Risk Sharing Facilities.



Under Sub-program 7, the bulk of the allocation is for payment of incentives to farmers who practice the climate and environment friendly practices.

Accountability system and implementation of the budget. Firstly, a control system will ensure that each responsible MPSA execute their Budgets in strict compliance with the eligible expenditures and modalities outlined for each PII. Each MPSA will also be required to submit periodic reports on their performance in implementing the budget and achieving target inputs.





Table 4: CATSP Budget by Sub-program and Investment Area

SUB PROGRAM/INVESTMENT AREA	BUDGET (USD)					
	2024	2025	2026	2027	2028	Total
SUB PROGRAM: INSTITUTIONAL DEVELOPMENT AND PROGRAM MANAGEMENT						
Investment Area 1.1: Enhancing the coordination, efficiency, and accountability of the public sector	791,070.00	100,312,500.00	100,212,500.00	212,500.00	212,500.00	201,741,070.00
Investment Area 1.2: Establishing and resourcing the Zambia Agriculture Transformation Trust Fund	401,986,140.00	278,422,500.00	328,422,500.00	203,415,000.00	3,415,000.00	1,215,661,140.00
TOTAL FOR SUB PROGRAM 1	402,777,210.00	378,735,000.00	428,635,000.00	203,627,500.00	3,627,500.00	1,417,402,210.00
SUB PROGRAM 2: INNOVATIVE FINANCIAL AND RISK SHARING FACILITIES						
Investment Area 2.1: Zambia Innovative Risk-Sharing for Agriculture Transformation Facilities	438,500.00	328,500.00	418,500.00	418,500.00	328,500.00	1,932,500.00
Investment Area 2.2: Zambia Innovative Financial Services for Agriculture Transformation Facilities	922,500.00	922,500.00	922,500.00	922,500.00	922,500.00	4,612,500.00
Investment Area 2.3: Zambia Innovative Non-Financial Services for Agriculture Transformation	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	12,500.00
TOTAL FOR SUB PROGRAM 2	1,363,500.00	1,253,500.00	1,343,500.00	1,343,500.00	1,253,500.00	6,557,500.00
SUB-PROGRAM 3: AGRICULTURE MARKETING, TRADE AND INDUSTRY						
Investment Area 3.1: Market intervention schemes	2,219,040.00	665,905.56	308,155.56	308,155.56	208,155.56	3,709,412.24
Investment Area 3.2: Food Safety and Quality	2,225,000.00	513,500.00	3,013,500.00	513,500.00	513,500.00	6,779,000.00



SUB PROGRAM/INVESTMENT AREA	BUDGET (USD)					
	2024	2025	2026	2027	2028	Total
Investment Area 3.3 Enhancing the Agriculture Marketing and Trade Policy Environment	144,807,200.00	146,821,000.00	145,191,000.00	141,335,000.00	141,395,000.00	719,549,200.00
Investment Area 3.4: Promoting Agri-food processing	1,275,000.00	1,125,000.00	1,050,000.00	950,000.00	200,000.00	4,600,000.00
TOTAL FOR SUB PROGRAM 3	150,526,240.00	149,125,405.56	149,562,655.56	143,106,655.56	142,316,655.56	734,637,612.24
SUB-PROGRAM 4: AGRICULTURAL RESEARCH AND PRODUCTION SUPPORT						
Investment Area 4.1: Promoting the adaptation, development and dissemination of CSA technologies	10,050,000.00	7,675,000.00	5,685,000.00	3,725,000.00	2,835,000.00	29,970,000.00
Investment Area 4.2: Adaptation, development and dissemination of other technologies and practices	4,975,000.00	4,300,000.00	2,270,000.00	1,560,000.00	1,335,000.00	14,440,000.00
Investment Area 4.3: Promoting private and public extension services for crops, livestock and fisheries	8,250,000.00	5,400,000.00	1,400,000.00	1,300,000.00	1,300,000.00	17,650,000.00
Investment Area 4.4: Promoting youth skill-based training	2,800,000.00	1,730,000.00	1,330,000.00	1,130,000.00	980,000.00	7,970,000.00
Investment Area 4.5: Promoting the Production and Supply of Improved Genetic Resources	8,620,000.00	6,325,000.00	3,880,000.00	2,400,000.00	2,445,000.00	23,670,000.00



SUB PROGRAM/INVESTMENT AREA	BUDGET (USD)					
	2024	2025	2026	2027	2028	Total
Investment Area 4.6: Enhancing the accessibility, quality and efficiency of agricultural mechanization along the agri-food value chain	32,195,000.00	37,722,500.00	28,872,500.00	26,792,500.00	27,367,500.00	152,950,000.00
Investment Area 4.7: Spatial Development Initiatives	201,700,000.00	150,800,000.00	62,060,000.00	20,560,000.00	18,060,000.00	453,180,000.00
Investment Area 4.8: Enabling production and supply of safe and quality inputs for crops, livestock production and fish farming	46,650,000.00	171,340,000.00	66,340,000.00	23,485,000.00	20,080,000.00	327,895,000.00
TOTAL FOR SUB PROGRAM 4	315,240,000.00	385,292,500.00	171,837,500.00	80,952,500.00	74,402,500.00	1,027,725,000.00
SUB-PROGRAM 5: INFRASTRUCTURE DEVELOPMENT						
Investment Area 5.1: Promoting the Development of Irrigation Infrastructure	335,000.00	50,065,000.00	50,065,000.00	50,065,000.00	49,540,000.00	200,070,000.00
Investment Area 5.2: Developing Feeder Roads and Market Infrastructure	400,000.00	100,000,000.00	100,000,000.00	100,000,000.00	75,000,000.00	375,400,000.00
Investment Area 5.3: Trade Facilitation Infrastructure Development	100,000.00	66,000,000.00	65,000,000.00	65,000,000.00	56,500,000.00	252,600,000.00
TOTAL FOR SUB PROGRAM 5	835,000.00	216,065,000.00	215,065,000.00	215,065,000.00	181,040,000.00	828,070,000.00



SUB PROGRAM/INVESTMENT AREA	BUDGET (USD)					
	2024	2025	2026	2027	2028	Total
SUB-PROGRAM 6: EMERGENCY PREPAREDNESS AND RESPONSE MECHANISM, AND NUTRITUTION						
Investment Area 6.1: Emergency Preparedness	140,308,000.00	140,183,000.00	140,098,000.00	140,038,000.00	140,038,000.00	700,665,000.00
Investment Area 6.2: Emergency Response	205,000.00	262,500.00	262,500.00	262,500.00	232,500.00	1,225,000.00
Investment Area 6.3: Social protection schemes	100,000.00	513,500.00	538,500.00	538,500.00	513,500.00	2,204,000.00
Investment Area 6.4: Promoting Nutrition Sensitive Agri-food systems	429,100.00	1,555,350.00	1,815,350.00	1,365,350.00	1,865,350.00	7,030,500.00
TOTAL FOR SUB PROGRAM 6	141,042,100.00	142,514,350.00	142,714,350.00	142,204,350.00	142,649,350.00	711,124,500.00
SUB-PROGRAM 7: SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES						
Investment Area 7.1: Conservation and Sustainable use of Natural Resources	935,000.00	60,005,000.00	240,005,000.00	300,005,000.00	360,005,000.00	960,955,000.00
Investment Area 7.2: Promoting the Use of Water and Energy Efficient Practices	3,050,000.00	50,000.00	50,000.00	50,000.00	500,000.00	3,700,000.00
TOTAL FOR SUB PROGRAM 7	3,985,000.00	60,055,000.00	240,055,000.00	300,055,000.00	360,505,000.00	964,655,000.00
TOTAL CATSP BUDGET	1,015,769,050.00	1,333,040,755.56	1,349,213,005.56	1,086,354,505.56	905,794,505.56	5,690,171,822.24



ANNEXES

6.0 ANNEXES

Annex 1.	Detailed results framework
Annex 2.	Compendium of policy instruments
Annex 3.	Value chain development plan agreements
Annex 4.	Budget
Annex 5.	Proposal for setting-up the Zambia Agriculture Transformation Forum and Trust
Annex 6.	Action Plan for the Launching year 2024
Annex 7.	Resource Mobilization strategy of the Trust
Annex 8.	CATSP policy brief
Annex 9.	Regulation on Agriculture Transformation Policy





Republic of Zambia

Mulungushi House, Corner of Independence Avenue & Nationalist Road

Website: www.agriculture.gov.zm

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