



REPUBLIC OF ZAMBIA

MINISTRY OF AGRICULTURE AND LIVESTOCK

MINISTERIAL STATEMENT PRESENTED BY HONOURABLE GIVEN LUBINDA, MP

MINISTER OF AGRICULTURE AND LIVESTOCK

**ON THE STATUS OF MATCHING GRANTS IN THE MINISTRY OF AGRICULTURE AND
LIVESTOCK**

JULY, 2015

MR. SPEAKER,

I THANK YOU FOR GIVING ME THE OPPORTUNITY TO DELIVER THIS STATEMENT ON THE SUBJECT '**THE STATUS OF MATCHING GRANTS IN THE AGRICULTURAL SECTOR IN ZAMBIA**'. FROM THE OUTSET, I WISH TO EXPRESS MY GRATITUDE TO ~~NOTE THAT~~ MEMBERS OF PARLIAMENT ^{WHO} HAVE EXPRESSED AN INTEREST IN MATCHING GRANTS THAT ARE BEING IMPLEMENTED IN THE MINISTRY OF AGRICULTURE AND LIVESTOCK.

THIS STATEMENT HAS BEEN NECESSITATED BY AN INTEREST FROM THIS HOUSE FOR AN ELABORATION OF WHAT MATCHING GRANTS ARE AND THEIR STATUS OF IMPLEMENTATION. THE STATEMENT IS ALSO INTENDED TO PROVIDE INFORMATION TO MEMBERS OF PARLIAMENT ON THE IMPLEMENTATION MODALITIES, TARGET BENEFICIARIES AND APPLICATION PROCEDURES TO ACCESS MATCHING GRANTS.

IT IS MY EXPECTATION THAT ONCE WE HAVE SENSITIZED THE MEMBERS OF PARLIAMENT ON MATCHING GRANTS, THEY MAY IN TURN DISSEMINATE THIS INFORMATION TO THE TARGETED BENEFICIARIES TO CREATE AWARENESS IN THEIR CONSTITUENCIES. THIS WILL ALSO PROP UP OFFICERS AT VARIOUS LEVELS IN THE MINISTRY OF AGRICULTURE AND LIVESTOCK TO TAKE A PROACTIVE ROLE IN THE IMPLEMENTATION OF MATCHING GRANTS DUE TO THE INTEREST THAT WILL BE CREATED AMONG THE POTENTIAL BENEFICIARIES.

IN DELIVERING THIS STATEMENT, I WILL FOCUS ON KEY ISSUES NAMELY; (I) BACKGROUND ON MATCHING GRANTS; (II) ISSUES TO BE ADDRESSED IN THE AGRICULTURAL SECTOR THROUGH MATCHING GRANTS; (III) IMPLEMENTATION MODALITIES; (IV) IMPLEMENTATION STATUS FOR MATCHING GRANTS; AND (V) CONCLUDING REMARKS.

1. BACKGROUND ON MATCHING GRANTS

MR SPEAKER

MATCHING GRANTS ARE NOT NEW AS THEY HAVE BEEN TRIED IN THE AGRICULTURAL SECTOR IN THE PAST, PARTICULARLY IN THE MID AND LATE 1990S'. THESE WERE UNDER DONOR FUNDED PROGRAMMES SUCH AS THE RURAL INVESTMENT FUND (RIF) FUNDED BY THE WORLD BANK, THE SMALLHOLDER ENTERPRISE AND MARKETING PROGRAMME (SHEMP) FUNDED BY THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD), THE SMALLHOLDER IRRIGATION AND WATER USE PROJECT (SIWUP) FUNDED BY THE WORLD BANK AND THE SMALL SCALE IRRIGATION PROJECT (SIP) FUNDED BY THE GOVERNMENT OF FINLAND AND THE AFRICA DEVELOPMENT BANK.

MATCHING GRANTS UNDER THESE PROJECTS WORKED VERY WELL ALTHOUGH SOME WERE FACED WITH CHALLENGES OF BENEFICIARIES FAILING TO MEET THEIR CONTRIBUTIONS AND LACK OF CAPACITY BUILDING TO THE SAME GROUPS BECAUSE PROJECTS DID NOT INCLUDE THE COMPONENT OF CAPACITY BUILDING BUT MERELY FOCUSED ON DISBURSING MATCHING GRANTS TO BENEFICIARIES.

WITHIN THE CONTEXT OF AGRICULTURAL DEVELOPMENT IN ZAMBIA, A MATCHING GRANT IS A ONE-OFF, NON-REIMBURSABLE TRANSFER TO PROJECT BENEFICIARIES, IN THIS CASE FROM THE PROJECT OR PROGRAMME TO THE BENEFICIARIES. IT IS BASED ON A SPECIFIC PROJECT RATIONALE FOR A PARTICULAR PURPOSE AND ON CONDITION THAT THE RECIPIENT MAKES A SPECIFIED CONTRIBUTION FOR THE SAME PURPOSE. MATCHING GRANTS CAN BE EITHER IN CASH OR IN KIND, OR A COMBINATION OF BOTH.

AS ONE-OFF TRANSFERS, MATCHING GRANTS DIFFER FROM PERMANENT PUBLIC TRANSFERS, SUCH AS SUBSIDIES FOR INPUTS AND SERVICES SUCH AS FERTILIZER AND SEED OR SAFETY NETS SUCH AS CASH TRANSFERS OR FOOD FOR WORK. MATCHING GRANTS AS OPPOSED TO FULL GRANTS, LOANS OR SUBSIDIES PROMOTE BENEFICIARY COMMITMENT, INNOVATION AND OWNERSHIP OF THE PROJECTS BEING FUNDED.

2. PURPOSE FOR A MATCHING GRANT

IN THE ZAMBIAN AGRICULTURE SECTOR, MATCHING GRANTS ARE USED TO FINANCE PROJECTS AIMED AT PROMOTING AND INCREASING PRODUCTIVITY IN LIVESTOCK, AGRIBUSINESS, IRRIGATION AND CROP PRODUCTION. THEY ARE USED TO DEVELOP AGRICULTURAL VALUE CHAINS, PROMOTE INNOVATION AND TECHNOLOGY, ENHANCE ACCESS TO EXTENSION AND SUPPORT SERVICES, AND SUPPORT AGRICULTURAL DIVERSIFICATION.

WE ARE ALL AWARE THAT THE MAJOR CHALLENGE FACED BY THE SMALL HOLDER FARMERS IS ACCESS TO AFFORDABLE FINANCING FROM THE FINANCING INSTITUTIONS. CONSEQUENTLY, SMALLHOLDER FARMERS HAVE BEEN HINDERED TO INVEST IN MECHANISATION, APPROPRIATE FARMING TECHNOLOGIES, ACQUISITION OF SUPERIOR BREEDS OF LIVESTOCK, EXPANSION OF FISH FARMS AND VALUE ADDITION ACTIVITIES TO THEIR AGRICULTURAL PRODUCE.

THROUGH MATCHING GRANTS WE ARE HELPING TO INCREASE SMALLHOLDER, AND MEDIUM SCALE FARMERS' WORKING CAPITAL OR INVESTMENT BASE WHICH WILL HELP THEM TO INCREASE PRODUCTIVITY AND INCREASE ACCESS TO MARKETS FOR THEIR PRODUCE BY ADDRESSING SPECIFIC BARRIERS TO MARKET ENTRY FOR CERTAIN TARGET GROUPS, TECHNOLOGIES OR SERVICE PROVIDERS. THERE IS EVIDENCE WITHIN THE SHORT TIME THAT WE HAVE BEEN IMPLEMENTING MATCHING

GRANTS THAT THEY CAN STIMULATE MARKET DEVELOPMENT AND BE PART OF PUBLIC POLICIES FOR MAKING MARKETS WORK FOR POOR PEOPLE.

3. IMPLEMENTATION MODALITIES FOR MATCHING GRANTS IN THE AGRICULTURE SECTOR

MR SPEAKER

THE MAIN OBJECTIVE FOR IMPLEMENTING MATCHING GRANTS IS TO INCREASE THE WORKING CAPITAL FOR SMALLHOLDER AND MEDIUM SCALE FARMERS THAT WILL GIVE THEM OPPORTUNITIES TO INVEST IN FARMING ACTIVITIES WHICH WILL INCREASE THEIR AGRICULTURAL PRODUCTIVITY, VALUE ADDITION AND GAIN ENTRY INTO MARKETS FOR AGRICULTURAL COMMODITIES.

IMPLEMENTATION MODALITIES FOR BENEFICIARIES TO ACCESS MATCHING GRANTS DIFFER UNDER THE DIFFERENT DEVELOPMENT PROJECT DESIGNS AND THE COOPERATING PARTNERS SUPPORTING MATCHING GRANTS. WE ARE, HOWEVER, WORKING TOWARDS HARMONISING APPLICATION PROCEDURES, SELECTION AND APPROVAL PROCESSES, CONDITIONALITIES TO BE MET BY THE BENEFICIARIES AND PROPORTIONS OF CONTRIBUTIONS TO BE MADE BETWEEN THE PROJECTS AND BENEFICIARIES.

MY MINISTRY IS IMPLEMENTING MATCHING GRANTS UNDER SIX (6) PROJECTS NAMELY:

- (I). THE AGRICULTURAL DEVELOPMENT SUPPORT PROGRAMME (ADSP) FINANCED BY THE WORLD BANK;
- (II). THE LIVESTOCK DEVELOPMENT AND ANIMAL HEALTH PROJECT (LDAHP) FUNDED BY THE WORLD BANK;

- (III). THE IRRIGATION DEVELOPMENT SUPPORT PROGRAMME (IDSP) FUNDED BY THE WORLD BANK
- (IV). THE SMALLHOLDER AGRIBUSINESS SUPPORT PROGRAMME (SAPP) FUNDED BY INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD);
- (V). THE SMALLHOLDER PRODUCTIVITY PROMOTION PROGRAMME (S3P) FUNDED BY IFAD;
- (VI). THE AGRICULTURAL PRODUCTIVITY AND MARKET ENHANCEMENT PROJECT (APMEP) FUNDED BY THE AFRICAN DEVELOPMENT BANK.

THE TOTAL BUDGET ALLOCATION FOR MATCHING GRANTS IS **K421 MILLION** FOR THE DURATION OF THE PROJECTS. THIS ALLOCATION WILL GO TOWARDS SUPPORTING AGRICULTURAL PRODUCTIVITY IMPROVEMENT; AGRICULTURAL INFRASTRUCTURE SUCH AS LIVESTOCK STRUCTURES AND DAMS; VALUE ADDITION AND IMPROVING MARKET ACCESS. THE TOTAL NUMBER OF BENEFICIARIES THAT WILL RECEIVE SUPPORT THROUGH MATCHING GRANTS IS **637,815** SMALL AND MEDIUM SCALE FARMERS AND **34** AGRIBUSINESSES. TO DATE **K36.720 MILLION** TO SUPPORT **180,446** BENEFICIARIES HAS BEEN DISBURSED THROUGH MATCHING GRANTS.

(4). IMPLEMENTATION STATUS FOR MATCHING GRANTS IN THE AGRICULTURE SECTOR

MR SPEAKER

ALLOW ME TO PROVIDE AN UPDATE ON THE STATUS OF IMPLEMENTATION OF MATCHING GRANTS BY THE RESPECTIVE PROJECTS.

4.1. AGRICULTURAL DEVELOPMENT SUPPORT PROGRAMME (ADSP)

THE ADSP WAS A SEVEN (7) YEAR PROGRAMME WHICH CLOSED IN 2014. IT HAD A TOTAL PROJECT BUDGET OF **K290.16 MILLION (US\$37.2MILLION)** OUT OF WHICH **K25.74 MILLION (US\$3.3MILLION)** WAS ALLOCATED TO MATCHING GRANTS. THE LARGER BALANCE AMOUNTING TO **K264.42 MILLION** WAS ALLOCATED TO ROAD INFRASTRUCTURE, SUPPORT TO SCALE FARMERS INVOLVED IN AGROPROCESSING, PROMOTION OF AGRIBUSINESSES AND INSTITUTIONAL DEVELOPMENT.

THE MATCHING GRANT FACILITY UNDER ADSP FOCUSED ON SUPPORTING FARMER ORGANIZATIONS, CO-OPERATIVES AND AGRIBUSINESSES TO PROMOTE PRODUCTIVITY IMPROVEMENT, VALUE ADDITION AND EXPANSION OF AGRO DEALERSHIP. THE ADSP DISBURSED MATCHING GRANTS TO **28 AGRIBUSINESSES** AND **45,180** SMALL SCALE PRODUCERS (OF WHICH **48%** WERE FEMALE). THE PROJECT WAS IMPLEMENTED IN 26 DISTRICTS IN 7 PROVINCES NAMELY:

- COPPERBELT PROVINCE: LUANSHYA, MPONGWE;
- LUSAKA PROVINCE: KAFUE, CHILANGA, LUSAKA, CHONGWE, RUFUNSA;
- NORTHERN PROVINCE: MPULUNGU;
- EASTERN PROVINCE: CHIPATA, LUNDAZI, KATETE;
- WESTERN PROVINCE: MONGU, KAOMA, LUKULU;
- SOUTHERN PROVINCE: MAZABUKA, MONZE, KAZUNGULA, LIVINGSTONE, KALOMO, ZIMBA, CHOMA; AND
- CENTRAL PROVINCE: KABWE, MKUSHI, SERENJE, MUMBWA, CHIBOMBO

THE MODALITIES FOR BENEFICIARIES TO ACCESS GRANTS INCLUDED:

- BENEFICIARIES MAKING APPLICATIONS THROUGH SUBMISSION OF PROJECT CONCEPT NOTES AND BUSINESS PLANS;
- SCREENING OF THE CONCEPTS BY THE PROJECT IMPLEMENTING UNIT OF THE ADSP; AND

- REVIEW OF THE CONCEPT NOTES BY THE TECHNICAL SUB-COMMITTEE OF THE ADSP STEERING COMMITTEE;
- FINAL APPROVAL BY THE STEERING COMMITTEE.

MR SPEAKER,

THE ADSP HAD A THREE (3) TIER SYSTEM OF CONTRIBUTIONS MADE BY THE PROJECT AND BENEFICIARIES WHICH WAS BASED ON THE TYPE OF APPLICATION NAMELY:

- FOR ENHANCEMENT OF MARKET ACCESS: 50% PROJECT AND 50% BENEFICIARY;
- FOR INVESTMENT INTO DEVELOPMENT OF NEW TECHNOLOGIES: 60% PROJECT AND 40% BENEFICIARY; AND
- FOR INVESTMENT IN AGROPROCESSING BY SMALL SCALE PRODUCER ORGANIZATIONS: 75% GOVERNMENT AND 25% BENEFICIARIES.

THE IMMEDIATE OUTPUTS AND OUTCOMES ACCRUED TO FARMER ORGANISATIONS, COOPERATIVES AND AGRIBUSINESSES DUE TO THE MATCHING GRANT FACILITY UNDER ADSP INCLUDE NEW TECHNOLOGIES GENERATED, INCREASED VALUE ADDITION, IMPROVED ACCESS TO MARKETS, CREATION OF JOBS AND IMPROVED FARMER INCOMES.

MR SPEAKER,

TO SUPPLEMENT MY STATEMENT, I AM LAYING IN THIS HOUSE A SUMMARY TABLE OF THE ADSP MATCHING GRANT FACILITY WHICH PROVIDES DETAILS ON THE NAME OF THE AGRIBUSINESS BENEFICIARY, NAME OF THE PROJECT SUPPORTED WITH MATCHING GRANTS, PROJECT OBJECTIVES, NAME OF THE VALUE CHAIN OR COMMODITY AND ITS PROVINCIAL AND DISTRICT LOCATION.

4.2. IRRIGATION DEVELOPMENT SUPPORT PROJECT (IDSP)

THE IRRIGATION DEVELOPMENT AND SUPPORT PROJECT (IDSP) COMMENCED IN 2011 AND WILL RUN FOR SIX (6) YEARS WITH A TOTAL COMMITMENT AMOUNT OF **K897 MILLION (US\$115 MILLION)**. THE DEVELOPMENT GOAL FOR THE IDSP IS

INCREASING YIELDS PER HECTARE AND VALUE OF DIVERSE PRODUCTS MARKETED BY SMALLHOLDERS BENEFITTING FROM INVESTMENTS IN IRRIGATION IN SELECTED SITES SERVED BY THE PROJECT. THE PROJECT HAS A TOTAL MATCHING GRANT BUDGET OF **K121 MILLION (US\$15.6 MILLION)** ADMINISTERED THROUGH THE IRRIGATION SUPPORT FUND (ISF). THE BALANCE AMOUNTING TO **K776 MILLION** IS ALLOCATED TO THE ESTABLISHMENT OF IRRIGATION INFRASTRUCTURE, IRRIGATED AGRICULTURE SUPPORT SERVICES, MANAGEMENT AND COORDINATION. OF THE **K121 MILLION** ALLOCATED TO MATCHING GRANTS, **K69.42 MILLION (US\$8.9 MILLION)** HAS BEEN COMMITTED. THE MATCHING GRANT FACILITY WAS LAUNCHED IN SEPTEMBER 2014.

THE PROJECT TARGET BENEFICIARIES ARE SMALL, MEDIUM, LARGE SCALE COMMERCIAL FARMERS AND PUBLIC INSTITUTIONS THAT WILL BENEFIT THROUGH PURCHASE OF IRRIGATION EQUIPMENT SUCH AS CENTRE PIVOTS AND SUBMERSIBLE PUMPS. THE BUDGET ALLOCATION TO SMALL, MEDIUM AND LARGE SCALE FARMERS IS **K51.6 MILLION** WHILE GOVERNMENT INSTITUTIONS WILL RECEIVE **K69.42 MILLION**.

TO ACCESS THESE FUNDS, ELIGIBLE APPLICANTS PREPARE CONCEPT NOTES THAT ARE SCREENED AND REVIEWED BY A TECHNICAL PANEL. FEASIBLE CONCEPT NOTES ARE THEN DEVELOPED INTO BUSINESS PROPOSALS THAT ARE FURTHER ANALYZED BY THE TECHNICAL REVIEW PANEL AND LATER APPROVED BY THE PROJECT STEERING COMMITTEE.

MR. SPEAKER,

CONDITIONS TO BENEFICIARIES APPLYING TO ACCESS MATCHING GRANTS UNDER ADSP INCLUDE:

- AVAILABILITY OF WATER ON THE RESPECTIVE LAND;
- OWNERSHIP OF WATER RIGHTS, AND LASTLY; AND

- THEY SHOULD DEMONSTRATE GOOD BUSINESS MANAGEMENT SKILLS WHICH WILL BE EXHIBITED THROUGH THE CONCEPT NOTES.

I FURTHER WISH TO INFORM THIS AUGUST HOUSE THAT IN FEBRUARY THIS YEAR, THE MINISTRY THROUGH THE IRRIGATION DEVELOPMENT SUPPORT PROJECT REVIEWED AND APPROVED THIRTEEN FULL BUSINESS PLANS FOR MATCHING GRANTS FROM ZAMBIA NATIONAL SERVICE, ZAMBIA PRISON SERVICE, ZAMBIA POLICE, ZAMBIA COLLEGE OF AGRICULTURE IN MPIKA AND THE ZAMBIA CENTRE FOR HORTICULTURAL TRAINING IN CHAPULA, KALULUSHI DISTRICT FOR ACQUISITION OF PRODUCTIVE IRRIGATION EQUIPMENT AND ASSETS AMOUNTING TO K69.4 MILLION.

FURTHER UNDER THE CATEGORY SMALL SCALE, MEDIUM SCALE AND LARGE SCALE FARMERS WE HAVE JUST RECEIVED 25 CONCEPT NOTES THAT WE ARE REVIEWING.

MR SPEAKER,

TO SUPPLEMENT MY STATEMENT, I AM LAYING IN THIS HOUSE A SUMMARY TABLE OF THE IDSP MATCHING GRANT FACILITY WHICH PROVIDES DETAILS ON THE NAME OF THE APPLICANT, TYPE OF APPLICANT, PROJECT LOCATION, AREA TO BE IRRIGATED, TYPE OF EQUIPMENT AND TOTAL PROJECT COST.

4.3. THE LIVESTOCK DEVELOPMENT AND ANIMAL HEALTH PROJECT (LDAHP)

MR SPEAKER,

THE DEVELOPMENT OBJECTIVE OF THE LIVESTOCK DEVELOPMENT AND ANIMAL HEALTH PROJECT IS TO IMPROVE THE PRODUCTIVITY OF KEY LIVESTOCK PRODUCTION SYSTEMS FOR TARGETED FEMALE AND MALE SMALLHOLDER PRODUCERS IN SELECTED AREAS OF THE RECIPIENT'S TERRITORY. IT WILL RUN FROM 2012 TO 2018. THE PROJECT IS FUNDED BY THE WORLD BANK WITH A TOTAL BUDGET ALLOCATION OF **K504.66 MILLION (US\$64.7 MILLION)** OUT OF WHICH **K141.9 MILLION (US\$18.2 MILLION)** HAS BEEN COMMITTED TO MATCHING GRANTS. THE LARGER BALANCE AMOUNTING TO **K362.76** IS ALLOCATED TO LIVESTOCK

INFRASTRUCTURE AND THE PROVISION OF ANIMAL HEALTH SERVICES. OF THE **K141.9 MILLION** ALLOCATED TO MATCHING GRANTS, **K55.38 MILLION (US\$7.1MILLION)** HAS BEEN DISBURSED SO FAR.

THE TARGET BENEFICIARIES ARE LIVESTOCK PRODUCER ORGANISATIONS AND VARIOUS LIVESTOCK INDUSTRY STAKEHOLDERS SUCH AS LIVESTOCK MARKETERS AND BUTCHERIES WHO ARE WORKING WITH SMALL SCALE LIVESTOCK PRODUCERS. A TOTAL OF **375** INSTITUTIONS AND GROUPS IN SIX PROVINCES NAMELY; SOUTHERN, WESTERN, EASTERN, CENTRAL, COPPERBELT AND LUSAKA PROVINCES WILL RECEIVE MATCHING GRANTS UNDER THE PROJECT. SPECIFIC INTERVENTIONS THAT CAN RECEIVE MATCHING GRANTS UNDER THE PROJECT INCLUDE PRODUCTIVITY IMPROVEMENT FOR CATTLE, SHEEP, GOATS, PIGS AND POULTRY.

THE PROJECT ALSO PROVIDES OTHER SERVICES INCLUDING LIVESTOCK SERVICES PROVISION, PROCUREMENT OF LABORATORY EQUIPMENT, AND SUPPORT FOR LIVESTOCK INFRASTRUCTURE SUCH AS ABATTOIRS.

MR SPEAKER,

THE ELIGIBILITY AND SELECTION CRITERIA FOR THE BENEFICIARIES INCLUDE:

- (I) THE APPLICANTS MUST BE A PRIVATE ORGANISATION, NON-GOVERNMENT ORGANISATIONS, COMMUNITY BASED ORGANISATIONS OR PUBLIC TRAINING AND RESEARCH INSTITUTION INVESTMENT;
- (II) (II) THE APPLICANT MUST OPERATE AND PROVIDE SERVICES IN LIVESTOCK DEVELOPMENT AND ANIMAL HEALTH
- (III) (III) THE BENEFICIARY MUST CONTRIBUTE **25%** OF THE TOTAL PROJECT COST.

ALL APPLICATIONS FOR MATCHING GRANTS ARE EVALUATED BY THE MATCHING GRANT COMMITTEES ESTABLISHED WITHIN THE OFFICE OF THE PROVINCIAL AGRICULTURE COORDINATORS OFFICE (PACO) IN EACH OF THE **6 PROVINCES** WHERE THE PROJECT IS BEING IMPLEMENTED. THE MATCHING GRANT COMMITTEES

USES SPECIALLY DEVELOPED ASSESSMENT FORMS/TOOLS TO DETERMINE THE VIABILITY OF THE PROPOSED INVESTMENT PACKAGE. THE SUCCESSFUL PROPOSALS ARE FINALLY APPROVED BY THE PROJECT STEERING COMMITTEE.

MR SPEAKER,

TO SUPPLEMENT MY STATEMENT, I AM LAYING IN THIS HOUSE A SUMMARY TABLE OF THE LIVESTOCK DEVELOPMENT AND ANIMAL HEALTH PROJECTS' MATCHING GRANT FACILITY WHICH PROVIDES DETAILS ON THE NAME OF THE SUB-RECIPIENT, GRANT AGREEMENT NUMBER, DISBURSED AMOUNT, PROJECT PURPOSE AND MODE OF PAYMENT.

4.3. THE SMALLHOLDER AGRIBUSINESS PROMOTION PROGRAMME (SAPP)

MR. SPEAKER,

THE SMALLHOLDER AGRIBUSINESS PROMOTION PROGRAMME (SAPP) IS A SEVEN YEAR AGRIBUSINESS DEVELOPMENT PROGRAMME WITH AN IMPLEMENTATION PERIOD FROM 2010 TO 2016. IT IS JOINTLY SUPPORTED BY THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA AND THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD). THE TOTAL IFAD LOAN ALLOCATED TO THE SAPP AMOUNTS TO **K156 MILLION (US\$20 MILLION)** WHILE GRZ ALLOCATED **K11.7 MILLION (US\$1.504 MILLION)**. THE TOTAL BUDGET ALLOCATED UNDER MATCHING GRANT IS **K50.7 MILLION (US\$6.5 MILLION)**. THE LARGER BALANCE AMOUNTING TO **K105.3 MILLION** IS ALLOCATED TO DEVELOPMENT OF MORE EFFICIENT VALUE CHAINS AND CREATING AN ENABLING ENVIRONMENT FOR AGRIBUSINESS. OF THE **K50.7 MILLION** ALLOCATED TO MATCHING GRANTS, **K10,479,116** HAS BEEN SPENT OR COMMITTED TO SUPPORT **135,266** BENEFICIARIES COMPRISING OF FARMER GROUPS AND PRIVATE COMPANIES.

MR SPEAKER,

THE MATCHING GRANT FACILITY UNDER THIS PROJECT IS DESIGNED TO SUPPORT AGRIBUSINESS DEVELOPMENT WITHIN SELECTED PRIORITY VALUE CHAINS TARGETING SMALL SCALE FARMERS. THE PROJECT AREAS OF FOCUS INCLUDE:

- SMALL LIVESTOCK INTERVENTION IN CHOMA, MONZE, KALOMO, NAMWALA, MAZABUKA AND SINAZONGWE;
- BEEF CATTLE INTERVENTION IN NAMWALA, MAZABUKA, MAGOYE, CHOMA, MUMBWA, SENAGA AND MONGU;
- GROUNDNUTS INTERVENTION IN LUNDAZI, CHIPATA, LUNDAZI AND KATETE;
- CASSAVA INTERVENTION IN MANSA, SAMFYA AND KAOMA;
- GROUNDNUTS AND BEANS INTERVENTION IN KASAMA, MBALA, MPULUNGU, MPOLOKOSO AND LUWINGU

MR SPEAKER,

THE IMPLEMENTATION MODALITIES OF SAPP INVOLVES THE SELECTION AND APPROVAL PROCESS WHICH STARTS WITH APPLICANTS SUBMITTING THEIR APPLICATIONS TO THE DISTRICT MATCHING GRANTS COMMITTEES IN THEIR RESPECTIVE DISTRICT WHICH IS HOUSED WITHIN THE OFFICE OF THE DISTRICT AGRICULTURE COORDINATORS OFFICE. I WISH TO TAKE THIS OPPORTUNITY TO ENCOURAGE BENEFICIARIES TO VISIT THE DACOS' OFFICE FOR FURTHER GUIDANCE ON THE APPLICATION PROCEDURES. APPROVED APPLICATIONS ARE THEN FORWARDED TO THE PROVINCIAL AGRICULTURE COORDINATORS OFFICE WHICH CONSOLIDATES AND RECOMMENDS APPROVAL ON BEHALF OF ALL THE DISTRICTS IN EACH PROVINCE.

THE IMMEDIATE OUTPUTS FROM THE FUND INCLUDE INVESTMENTS IN PRODUCTION, PROCESSING AND MARKETING INFRASTRUCTURE SUCH AS SHEDS AND LIVESTOCK SERVICE CENTRES. SUPPORT HAS ALSO BEEN GIVEN TO TRAINING PROGRAMMES

FOR SMALLHOLDER FARMERS IN ENTREPRENEURSHIP AND BEST FARMING PRACTICES.

MR SPEAKER,

TO SUPPLEMENT MY STATEMENT, I AM LAYING IN THIS HOUSE A SUMMARY TABLE OF THE SAPP MATCHING GRANT FACILITY WHICH PROVIDES DETAILS ON THE NAME OF THE AGRIBUSINESS BENEFICIARY, AMOUNT DISBURSED, GENDER OF BENEFICIARY, TYPE OF INFRASTRUCTURE SUPPORTED, PROVINCIAL AND DISTRICT LOCATION.

4.5. THE SMALL HOLDER PRODUCTIVITY PROMOTION PROGRAMME (S3P)

MR SPEAKER,

THE OVERALL GOAL OF THE SMALLHOLDER PRODUCTIVITY PROMOTION PROGRAMME (S3P) IS TO IMPROVE INCOME LEVELS, FOOD AND NUTRITION SECURITY OF POOR AGRICULTURAL HOUSEHOLDS. MORE SPECIFICALLY, THE PROGRAMME SEEKS TO CONTRIBUTE TO INCREASED AGRICULTURAL PRODUCTION, PRODUCTIVITY AND INCREASED SALES OF SMALLHOLDER FARMERS.

IT IS FUNDED BY IFAD AND THE GOVERNMENT OF FINLAND. THE PROJECT DURATION IS SEVEN (7) YEARS FROM 2011 TO 2018. THE S3P HAS A TOTAL BUDGET OF **K311.22 MILLION (US\$39.9 MILLION)** OUT OF WHICH **K58.5 MILLION (US\$7.5 MILLION)** HAS BEEN ALLOCATED TO MATCHING GRANTS AND **K14,004,478** HAS BEEN COMMITTED. THE PROJECT IS STILL AWAITING THE FULFILMENT OF CONDITIONS FOR DISBURSEMENT SUCH AS PROOF OF DEPOSITING THE BENEFICIARY CONTRIBUTION. THE BALANCE AMOUNTING TO **K252.72 MILLION** HAS BEEN ALLOCATED TO SUSTAINABLE SMALL HOLDER PRODUCTIVITY GROWTH AND CREATING AN ENABLING ENVIRONMENT FOR SMALLHOLDER FARMERS PRODUCTIVITY GROWTH.

THE PROGRAMME IS BEING IMPLEMENTED IN THREE PROVINCES NAMELY NORTHERN, LUAPULA AND MUCHINGA AND COVERS 24 DISTRICTS UNDER 150 AGRICULTURAL CAMPS. THE AREA OF FOCUS OF THE MATCHING GRANT INCLUDE INFRASTRUCTURE AND PRODUCTIVITY-ENHANCING EQUIPMENT SUCH AS PLOUGHS, PLANTERS, HURROWS AND IRRIGATION EQUIPMENT.

BENEFICIARY CONTRIBUTION FOR GROUP-BASED INVESTMENTS FOR LABOUR-SAVING EQUIPMENT SUCH AS PLOUGHS AND PLANTERS IS 50% OF EQUIPMENT COST IN CASH WHILE BENEFICIARY CONTRIBUTION FOR COMMUNITY-LEVEL INVESTMENTS (INFRASTRUCTURAL PROJECTS) IS 25% OF THE TOTAL PROJECT COST LARGELY IN KIND.

MR SPEAKER,

UNDER MODALITIES FOR BENEFICIARIES TO ACCESS GRANTS, THE DISTRICT AGRICULTURAL COMMITTEE (DAC) IS THE CLEARING HOUSE FOR ALL APPLICATIONS. THE MULTI-SECTOR DISTRICT PLANNING SUB-COMMITTEES COMPRISING STAFF FROM THE DISTRICT DEVELOPMENT COORDINATING COMMITTEE UNDERTAKES DESK AND FIELD APPRAISAL OF APPLICATIONS FOR COMMUNITY INFRASTRUCTURAL PROJECTS AND DISTRICT-LEVEL INVESTMENTS.

PROJECTS THAT ARE SUCCESSFUL AT FIELD APPRAISAL ARE SUBMITTED BY THE PLANNING SUB COMMITTEE OF THE DISTRICT DEVELOPMENT COORDINATING COMMITTEE WHO IN TURN RECOMMEND FOR FUNDING TO THE JOINT S3P STEERING COMMITTEE. FINALLY THE S3P STEERING COMMITTEE APPROVES FUNDING OF PROJECTS.

4.6. AGRICULTURE PRODUCTIVITY AND MARKET ENHANCEMENT PROJECT (APMEP)

MR SPEAKER,

THE AGRICULTURE PRODUCTIVITY AND MARKET ENHANCEMENT PROJECT (APMEP), WHICH WAS APPROVED BY THE AFRICAN DEVELOPMENT BANK (AFDB) BOARD ON MARCH 26, 2014, AIMS TO DEVELOP IRRIGATION SYSTEMS, IMPROVE AQUACULTURE, CROP AND LIVESTOCK PRODUCTION AND PRODUCTIVITY. THE AFDB HAS APPROVED A TOTAL OF **K242.74 MILLION (US\$ 31.12 MILLION)** TO SUPPORT APMEP IN ZAMBIA UNDER THE NATIONAL AGRICULTURE INVESTMENT PLAN (NAIP). THE APMEP WILL BE FINANCED WITH A GRANT FROM THE GLOBAL AGRICULTURE AND FOOD SECURITY PROGRAMME (GAFSP) MULTI-DONOR TRUST FUND.

MR SPEAKER,

APMEP COMMENCED ACTIVITIES IN 2015 AND WILL RUN FOR FIVE (5) YEARS. IT HAS A TOTAL MATCHING GRANT BUDGET OF **K 25.74 (US\$3.375 MILLION)**. THE BALANCE AMOUNTING TO **K217 MILLION** IS ALLOCATED TO AGRICULTURE PRODUCTION AND PRODUCTIVITY IMPROVEMENT, VALUE CHAIN DEVELOPMENT, MARKET LINKAGES AND INSTITUTIONAL STRENGTHENING.

THE PROJECT IS CURRENTLY DEVELOPING THE MATCHING MANUAL WHICH WILL PROVIDE MODALITIES FOR BENEFICIARIES TO ACCESS MATCHING GRANTS.

APMEP HAS PLANNED TO TARGET A TOTAL OF SIXTY (60) BENEFICERIES WITH A COMBINATION OF AGRO-DEALERS AND AGRIBUSINESSES IN SIX (6) DISTRICTS OF SOUTHERN PROVINCE, (SINAZONGWE AND GWEMBE), LUSAKA, (CHONGWE AND RUFUNSA), AND CENTRAL, (SERENJE AND CHIBOMBO).

THE IMMEDIATE OUTPUTS AND OUTCOMES THAT WE EXPECT TO ACHIEVE FROM APMEP INCLUDE EASY ACCESS TO INPUTS, IMPLEMENTS AND AGRO-CHEMICALS BY

FARMERS; INCREASED PROCESSING AND VALUE ADDITION AND INCREASED FARMER INCOMES.

5. CONCLUSION

MR SPEAKER,

MATCHING GRANTS ARE INCREASINGLY BEING USED IN THE CONTEXT OF AGRICULTURE AND RURAL DEVELOPMENT TO COMPENSATE FOR THE ABSENCE OF AFFORDABLE INVESTMENT FINANCE FROM LOCAL FINANCIAL INSTITUTIONS. THEY CAN STIMULATE INVESTMENT AND AGRICULTURAL BUSINESS ACTIVITIES ESPECIALLY FOR SMALL AND MEDIUM SCALE FARMERS. IN ZAMBIA, THERE IS AMPLE EVIDENCE TO SHOW THAT MATCHING GRANTS HAVE SIGNIFICANTLY CONTRIBUTED TO INCREASED AGRICULTURAL PRODUCTION, PRODUCTIVITY AND VALUE ADDITION ESPECIALLY WHERE THE BENEFICIARIES HAVE A BETTER UNDERSTANDING OF THE PURPOSE FOR MATCHING GRANTS.

IN CONCLUSION, ALTHOUGH CALL FOR PROPOSALS ARE PLACED IN THE PRESS, THE MINISTRY WILL IN THE NEXT TWO WEEKS PUBLICISE IN THE PRINT AND ELECTRONIC MEDIA, THROUGH AGRICULTURAL SHOWS AND OTHER AVENUES FULL DETAILS OF ALL MATCHING GRANTS UNDER THE MINISTRY WHICH WILL INCLUDE MODALITIES FOR ACCESSING THE GRANTS TO ENSURE THAT WE CREATE AWARENESS ABOUT THIS FACILITY TO ALL TARGET BENEFICIARIES COUNTRYWIDE. FURTHER, THE MINISTRY WILL HELP BUILD CAPACITIES AT DISTRICT LEVEL TO HELP BENEFICIARIES TO PREPARE BANKABLE BUSINESS PROPOSALS TO ACCESS MATCHING GRANTS.

MR. SPEAKER, I THANK YOU