

# Fact Sheet

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**Title of the proposed Joint Programme** Zambia Tobacco Control Social Impact Bond (TSIB)

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**UNCT** Zambia

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**Date** Tue, 03/31/2020 - 12:00

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**RCO focal point** Paul Chitengi

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## Lead UN entity and contact person

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UN entity	Name	Email
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## Participating UN entities and contact persons

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UN entity	Name	Email
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## Relevant UNDAF Outcome/s and Output/s

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Zambia–United Nations Sustainable Development Partnership Framework (2016-2021)

? Outcome 1.1: by 2021, government and partners deliver equitable, inclusive, quality and integrated social services

? Indicators contributed to: Proportion of learners at or above minimum standard of achievement in Grade 5 national assessments; Stunting rate; Proportion of grade 1 entrants with 1-3 years of organised pre-schooling

? Outcome 1.2: by 2021, marginalised and vulnerable populations in Zambia demand and utilise quality and integrated social services

? Indicators contributed to: Completion rate at grades 9 and 12 (boys/girls)

? Outcome 2.1: by 2021, productive sectors expand income-earning opportunities that are decent and sustainable, especially for youths and women in the poorest areas

? Indicators contributed to: Total value added (% of GDP) by the productive sectors (agriculture, manufacturing, energy, construction, tourism and mining); Proportion of working poor in the labour force; Reduction in the Crop Diversification Index (area planted to maize/area planted to 12 major crops); Number of hectares (ha) of forest coverage lost due to deforestation annually; Formal sector employment as % of employed population; Percentage of working population contributing to social security scheme; National annual emissions of carbon dioxide with Land-Use Change and Forestry (giga gramme-Gg, CO2 equivalent)

? Outcome 2.2: by 2021, women, youth and other vulnerable groups are empowered to participate in economic opportunities that are decent and promote sustainable livelihoods

? Indicators contributed to: % of vulnerable households below the poverty datum line; Proportion of women, youths and disabled with access to finance for productive economic opportunities

### **Relevant objective/s from national strategic document/s**

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Zambia's 7th National Development Plan (2017-2021): Most relevant to the TSIB is the development outcome 1 "A diversified and export-oriented agriculture sector" under strategic area 1 "Economic diversification and job creation". According to the 7NDP implementation plan, six strategies and 24 programmes will be implemented to achieve the results of a diversified and export-oriented Agriculture sector. Strategies include enhancing value chains, improving productivity, promoting diversification, investing in agricultural infrastructure, promoting small-scale agriculture, and improving access to finance.

Investments under the TSIB would link with programmes and strategies under this development outcome, as the TSIB aims to provide farmers a complete range of services (e.g. inputs, extension and marketing services, crop protection, credit, stable product prices, training and skills development). Further, the TSIB will attract private capital to leverage government and donor investments.

A TSIB would help the Government achieve targeted production increases for these crops. The TSIB can help bridge financing gaps and multiply the impact of every government dollar invested under development outcome #1, "A diversified and export-oriented agriculture sector".

Finally, the TSIB would support other development outcomes under the plan, namely:

- Enhanced welfare and livelihoods of the poor and vulnerable
- Enhanced decent job opportunities in the economy
- Climate change and disaster risk reduction
- Reduced inequalities
- Improved health and health related services
- Improved education and skills development

### **SDG targets on which the progress will be accelerated (includes targets from a range of SDGs and development pillars)**

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<b>Goal 1: End Poverty</b>	1.1
<b>Goal 2: Zero Hunger</b>	2.3
<b>Goal 3: Good Health and Well-Being</b>	3.5
<b>Goal 4: Quality Education</b>	4.4
<b>Goal 5: Gender Equality</b>	5.1 5.5
<b>Goal 6: Clean Water and Sanitation</b>	
<b>Goal 7: Affordable and Clean Energy</b>	
<b>Goal 8: Decent Work and Economic Growth</b>	8.3
<b>Goal 9: Industry, Innovation and Infrastructure</b>	
<b>Goal 10: Reduced Inequalities</b>	10.2 10.4
<b>Goal 11: Sustainable Cities and Communities</b>	
<b>Goal 12: Responsible Production and Consumption</b>	
<b>Goal 13: Climate Action</b>	13.2 13.3
<b>Goal 14: Life Below Water</b>	14.b
<b>Goal 15: Life On Land</b>	15.3
<b>Goal 16: Peace, Justice and Strong Institutions</b>	
<b>Goal 17: Partnerships for the Goals</b>	17.14 17.17

## **Self-Assessment**

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<b>The proposal reflects the integrated nature of the SDGs</b>	Yes
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<b>The proposal is based on an inter-agency approach (two or more UN entities involved), with RC coordinating Joint Programme preparation and implementation</b>	Yes
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<b>The proposed results are part of the UNDAF and aligned with national SDG priorities</b>	Yes
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<b>The proposed Joint Programme will be led by government and include key national stakeholders</b>	Yes
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<b>The proposal is based on country level consultations, as explained in the Concept note, and endorsed by the government (the letter of endorsement)</b>	Yes
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<b>The proposal is based on the standard template for Concept Notes, it is complete, and it includes:</b>	Yes
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- **Theory of Change demonstrating contribution to SDG acceleration and transformation to implement the 2030 Agenda and awareness of relevant financial policy efforts at regional or national level,**
  - **Results-oriented partnerships, including a strategy to engage and partner with IFIs/MDBs,**
  - **“Quick wins” and substantive outcome-level results, and**
  - **Initial risk assessment and mitigation measures.**
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<b>The proposal is expected to leverage resources for the SDGs at scale</b>	Yes
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## **Proposal for Joint Programme**

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### **1. Summary of the Joint Programme**

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Overall purpose: to establish a social impact bond (SIB) to assist small-holder tobacco farmers in Zambia to transition to more profitable and sustainable livelihoods which also protect their health and well-being. To scale the SIB regionally and globally after success in Zambia.

Problem: Tobacco kills 7 million people per year. Its cultivation harms farmers' health, is associated with child labour, is polluting and drives deforestation and soil degradation (WHO FCTC). Many tobacco farmers earn poverty wages with contracted farmers often locked into low value and exploitative employment. In Zambia, 60% of tobacco farmers want to shift to alternative crops/livelihoods but cite access to capital as the primary obstacle. Tobacco farmers in Zambia must be assisted with viable crop selection, easy access to

inputs, extension and marketing services, crop protection and stable product prices. This requires a large up-front investment, which is not available. This is true for tobacco farmers across the AFRO region, but governments do not have the resources to make the required investments.

**Solution description:** The Tobacco-Social Impact Bond (T-SIB) is a results-based financing mechanism designed to crowd-in private impact investment by delivering investors social and capital returns. The SDG Fund will leverage at least 120% co-financing from donors and an expected 50-100% from government and partner resources. The T-SIB envisions 150% private sector co-financing. This will be managed, coordinated and overseen by UNDP as intermediary, with FAO, ILO, WFP and WHO leading in contracting and management of activities where they bring a comparative advantage and are able to leverage ongoing programmes. National partners include NGOs, Ministries of Agriculture and Health, University of Zambia among others, with non-UN international partners to assist with data collection and advocacy activities. The successful pilot of the T-SIB in Zambia will lead to regional scale-up in tobacco growing countries.

**Expected Results:** The T-SIB feasibility study conducted in 2019 by UNDP, the Secretariat of the WHO FCTC, the American Cancer Society and FAO, indicates that a 4-year T-SIB pilot in Zambia short term would result in 7,360 farmers transitioned away from tobacco growing resulting US\$12.6 million in total financial benefits through increased household resources and protection of forests. Additional results that could be monetized, include increased food security due to diversified crop production; reduced rates of green tobacco sickness; reduced child labour; and other environmental benefits. Long term, a successful pilot for the T-SIB will leverage additional US\$ 40million in financing to scale.

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## **2. Thesis and theory of change of the Joint Programme**

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**Problem:** The comprehensive nature of alternative livelihoods interventions to assist tobacco farmers requires large up-front investments. However, low-income countries often do not have the resources to finance the complete range of services required to support farmers making the switch. Zambia submitted a national action plan for alternative livelihood studies during the FCTC Secretariat Global Meeting on Art 17/18 in June 2017, but lack of funding hindered progress. Private sector investors are not willing to make these investments, as they have difficulties assessing the risks involved.

**Thesis:** Given the significant health, social and environmental benefits to farmers and their communities, a social impact bond can offer attractive returns to impact investors. The SDG Fund will crowd-in donors and private sector capital to finance the social impact bond which offers the solution to the investment gap in this area.

**Theory of change:**

1) Funds received under the SDG Fund co-finance the T-SIB are managed by UNDP and financially by an intermediate banking institution. Co-financing through the SDG Fund attracts philanthropic and development donors by enabling low-purchase prices for development outcomes. The T-SIB attracts sufficient guarantee of the capital requirements to structure the bond and attract private investors (about US\$10 million in guaranteed outcome payments required over 4 years). Main assumption: Donors view the purchasing of development outcomes under the T-SIB as good value for money.

2) The T-SIB guarantees private impact investors their initial investment back after 4 years plus a return on investment if the T-SIB achieves key outcome indicators. The T-SIB includes a first loss guarantor and distributes risk in a way that attracts investors while

offloading risk from outcome payors (including the SDG Fund). Outcomes are sequenced to allow for short-medium- and intermediate term re-payments to investors. Competitive returns attract private capital to implement a full-scale programme assisting small-holder tobacco farmers in Zambia. Main assumption: Private impact investors are interested in the returns on their investment, both in terms of development/social and capital returns.

3) The intermediary programme coordinating unit finalizes the design and contracting with service providers, and private investor capital is used to fund activities. Main assumption: There are service providers with sufficient capacity to deliver results in Zambia.

4) An independent evaluator measures outcomes of the initiative, and investors are paid returns when the evaluator verifies that key performance indicators are achieved. Main assumption: Service providers successfully deliver outcomes.

5) Upon success in Zambia, UNDP or another intermediary agency establishes a sustainable, catalytic T-SIB investment facility to replicate T-SIBs globally and assist the current 1.5 million tobacco farmers in Tanzania, Madagascar, Malawi, Zimbabwe and Mozambique transition from tobacco cultivation. Regional expansion will help prevent the shift of national tobacco production to other areas and will reduce the incentives for entry of new farmers into tobacco production. With existing structures in place, the T-SIB could also assist farmers in crop and livelihood diversification more generally, strengthening farmer community.

Main assumption: AFRO region countries (main tobacco growing region globally) are open to T-SIB investments/replication of interventions.

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### **3. What are the expected results of the proposed Joint Programme?**

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#### Quick Wins

Results from the T-SIB feasibility study done in 2019 indicate that a 4-year TSIB initiative in Zambia would result in:

- 7,360 farmers transitioned away from tobacco growing (50 percent reduction in number of small-holder farmers in tobacco production);
- 70 percent increase in household resources for farmers
- 17,000 ha of forests protected
- US\$12.6 mil in total financial benefits through increased household resources and protection of forests
- resulting in max 11% return on investment for impact investors.

Secondary benefits that could be monetized, include:

- increased food security due to diversified crop production;
- reduced rates of green tobacco sickness because farmers are no longer handling tobacco leaves;
- reduced child labour as alternative crops are much less labour intensive;
- environmental benefits through water protection, reduced waste generation and chemical use.

#### Measurement:

The T-SIB will measure achievement of primary and secondary outcomes before, during and after TSIB funded interventions. The primary outcome indicator to measure success will be “Number of target population transitioned from growing tobacco to growing alternative crops or pursuing other livelihoods that are equally or more profitable.” Indicators that will be closely monitored and that have been monetized include: 1) “Increases in household resources and profitability from alternative economic activities, estimated to be \$116.48 USD / hectare.”; 2) “Reductions in deforestation and increased carbon sequestration value at \$156.84 USD per hectare.” 3) “Reduction of the number of children engaged in child labour”.

National government priorities:

Zambia's 7th NDP highlights diversifying and strengthening its agricultural sector as a clear priority, listed as the first outcome under the first strategic area (53% of employment nationally is in the agricultural sector). Because tobacco cultivation imposes many development harms, the T-SIB also contributes to 7th NDP and UNDAF outcomes to improve childhood education, increase utilization of social services among, expand decent and sustainable income-earning opportunities, and increase environmental sustainability.

Sustainability:

The 4-year period of intensive interventions will be followed by 3 years of monitoring and less intensive support to sustain the transition. The programme is designed to re-align and integrate services with existing government programmes (e.g. input subsidies, value/supply chain support, extension services).

Longer term results:

- contributions to national food supply will increase national food security
- improvements in the value- and supply-chains to enhance economic growth
- increasing crop diversification will enhance rural community resilience
- Increase in government tax revenue
- reduction in supply of tobacco leaf, especially in the AFRO region

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#### **4. Describe the innovative nature of the Joint Programme**

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The T-SIB initiative is innovative in several ways:

- The T-SIB will use an innovative financial instrument (SIB) to diversify financing for the SDGs. It does so by attracting private capital from investors in social impact and financial markets.
- The T-SIB shifts focus on results, reducing risks associated with programme delivery as the outcome funders only pay if results are achieved.
- The world's first social impact bond applied to tobacco control would provide partners with an opportunity to learn and apply similar financial approaches to other Sustainable Development Goals.
- The T-SIB will catalyze financing in Zambia, but also will scale regionally into neighboring tobacco growing countries like Zimbabwe, Madagascar, Malawi, Mozambique and Tanzania.

Other financing approaches either do not have the scale or risk-management profile required for successful large-scale livelihood interventions in this area. Micro-financing is not feasible at the desired scale, and loans or grants to the government do not allow for contracting a range of service providers for the complex interventions required.

The initiative has an increased likelihood of success because:

- The UN Agencies involved have a track record in successful developing and attracting private capital into Social Impact Bonds in different development areas. They can therefore leverage their existing investor and financial institutions network for the T-SIB in Zambia.
- Private investors will be able to earn an attractive capital return on their investment (in addition to the social returns) as the internal rate of return for the T-SIB is estimated at a maximum of 11% per annum.

- The T-SIB initiative is timely, as it can build on the momentum by banks and private companies divesting from tobacco. The initiative partners with Tobacco-Free Portfolios which leads the global divesting advocacy effort.
- The T-SIB advances several SDGs, which will interest private investors as well as IFIs/DFIs.
- The T-SIB feasibility study conducted in Zambia indicates high feasibility in terms of service provider capacity, farmer need, stakeholder buy-in, returns on investment, and risk-management.
- Momentum provided by global push to assist Parties to the WHO FCTC to meet their obligations under Articles 17 and 18 of the Convention (i.e. to assist tobacco farmers wishing to transition out of tobacco cultivation and to protect the environment).
- The T-SIB if successful in Zambia has high potential to scale regionally and globally.

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## 5. Expected added value of the UN and the Joint SDG Fund

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UN value add:

- The UN Agencies involved have a track record in successful developing and attracting private capital into social impact bonds in different development areas. They can therefore leverage their existing investor and financial institutions network for the T-SIB in Zambia.
- UN agencies involved are trusted intermediaries. They can therefore convene stakeholders across sectors as required by this multisectoral initiative, assess demand and supply, structure the bond, recruit investors, advocate, procure and contract services.
- The UN agencies can provide technical assistance to the Government to ensure policy coherence (e.g. tobacco farming vis-à-vis trade and industry investment frameworks/incentives).
- Recognizing the wide-ranging development implications of tobacco and its cultivation, the UN Interagency Task Force on NCDs has established a working-group on alternative livelihoods for tobacco farmers. The TWG includes all agencies involved under the TSIB, and UNDP and WHO have extensive experience assisting governments in implementing the WHO FCTC.
- The UN agencies can identify, mobilize and oversee the most suitable service providers.

The Joint SDG Fund's added value is to co-finance the T-SIB pilot in Zambia, which will allow it to attract donor investment required to fully fund the outcome fund. The biggest hurdle for social impact bonds generally is to find a donor/outcome payor willing to guarantee investors their investments and returns once outcomes are achieved. If the T-SIB is not selected for the Joint SDG Fund, it will still approach bi- and multi-laterals, IFIs/DFIs, foundations and funds, though success in mobilizing resources is less likely without an initial large investment.

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## 6. Leadership and implementation of the Joint Programme

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- FAO: assist beneficiaries on climate smart agriculture and improved forest-based livelihoods, including business development, diversification and environmental sustainability.
- ILO :work with the host communities to reduce decent work deficits, including child-labour, while developing alternative livelihoods skills, using the experience from their Alliance 8.7 and its Pathfinder Countries.
- UNDP: innovative financing and good governance for an enabling policy environment. Will act as project coordinator/intermediary to structure the bond, recruit investors, and procure and contract services.
- WFP: connecting smallholder farmers to formal markets as means of improving their incomes using alternative livelihoods, building on ongoing projects in Zambia and conduct detailed value chain analysis to inform selection of alternative market viable value chains in the

select geographies.

- WHO: measure the improvements in health of the beneficiaries and their families, using lessons from FCTC 2030 project in Zambia.
  - International NGOs: The American Cancer Society will share data on the economics of smallholder tobacco farmer livelihoods. Tobacco-Free Portfolios will assist with outreach to institutional investors.
  - Ministry of Agriculture: provide technical expertise to farmers. Fertilizer Input Support Programme will provide fertilizer and seed input subsidies.
  - Ministry of Health: National Food and Nutrition Commission to promote and oversee – with MoA – the diversification into more nutritious crops, focusing on vulnerable groups such as children, and women.
  - Private sector and national NGOs: work with UN agencies and MoA to provide services to farmers in a 'farming as business' approach.
  - District farmer associations and Zambia National Farmers Union: provide institutionalization of key farmer driven services such as aggregation, lending clubs, marketing and input assistance.
  - Zambian Agricultural Research Institute, University of Zambia: to assist in gathering data including M&E processes.
  - Private sector and local NGOs: provide services to farmers through an integrated model or a market facilitation model.
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## **7. Expected period of implementation**

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The implementation period will be 4 years of intensive interventions, scaling up gradually by increasing the number of farmers reached each year. Four years is necessary to have meaningful and sustainable impact. This will be followed by 3 years of monitoring and less intensive support to sustain the transition. The initiative aligns with the beginning of Zambia's planning phase for the (8th) National Development Plan (NDP) as well as Zambia's new UNSDF, both due to start in 2022. Sectoral plans will be adjusted according to the NDP. UN agencies will coordinate technical assistance and advocacy during the planning process to improve policy coherence and support, including from the UNCT.

The most critical milestones will be the Cumulative # of farmers transitioned. After the first year this should be 1,280 farmers, after 2 years 4,160, after three years 6,560 and after four years 7,360 farmers.

This will result in a 50 % reduction in hectares under small-holder tobacco cultivation across Zambia; 70 % increase in household resources for farmers through alternative livelihoods; and 17,000 ha of forests protected.

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## **8. Cost, co-funding, and co-financing of Joint Programme**

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The overall cost of the T-SIB funded interventions is estimated at US \$8 million over 4 years, with an additional US\$1.5-2 million in investor interest, for a grand total of \$9.5-10 million. Of the \$10 million required, \$6 million (60% of the total) are requested from the SDG Fund. SDG Fund contributions will be utilized as follows:

T-SIB structuring and overall management costs:

- \$50,000 to raise the remaining capital requirement from bi- and multi-lateral donors, UN agencies, development banks, philanthropies, and the private sector;
- \$250,000 to finalize legal and financial design of the T-SIB together with outcome funders and main investors;
- \$700,000 to fund UN-agency project management and oversight.

Implementation costs:

- \$1.5 million to serve as guarantee instrument (first loss guarantees to reduce risk for private investors);
- \$2 million to co-finance initial first two years of project programming as financing mix shifts fully to private investors;
- \$1.5 million in escrow account to pay back investors for achievement of short-term results (within 1st year after the first closing of investments).

The \$2 million to fund programming within the first two years will be substituted and replenished by private sector investments. This amount can serve as a revolving fund to design the regional scale out phase of TSIB after the two first years.

The T-SIB provides high value for money:

- Implementation cost is estimated at ~\$125 per farmer per year, which compares favorably to other major programmes in Zambia which operate at levels around \$100 per farmer per year but are not as comprehensive.
- Financial benefits associated with reductions in tobacco cultivation are \$273,32 per hectare, total benefits across all four years of the joint programme are estimated at \$12 million, resulting in a return on investment of 20% over four years.
- Monetized benefits include only carbon sequestered and improved incomes, additional benefits (see question #2) can be monetized as well.

With respect to the overall budget of service provision over four years:

- Coordination, management and oversight – including financial fund management -- is estimated to require ~12% of the total budget;
- Interventions (e.g. extension services), human resources and inputs serving farmers will amount to ~80% of the budget;
- Advocacy and verification will require 8% of the budget.

Project activities have been designed to maximize cost-effectiveness. The implementation will follow standard UN Agencies rules and regulations and promote sharing of resources.

## 9. Risk assessment

RISK 1: Low level of involvement by key stakeholders from Government. PROBABILITY: Low IMPACT: High MITIGATION

MEASURES: Continue high level of engagement with key government ministries.

RISK 2: General Elections are planned for 2021 and political situation could deteriorate, the Government could not able to adhere to the implementation due to turnover of key decision makers and changes in priorities. PROBABILITY: Low IMPACT: High MITIGATION

MEASURES: Ensure that a long-term strategy is adopted and secure understanding and support from different levels of government (national, provincial, district) to minimize a possible negative impact of turnover of key decision makers and associated revision of priorities.

RISK 3: Lack of clarity on roles and responsibilities amongst key stakeholders resulting in conflicting decisions, duplication, or slow implementation of project components. PROBABILITY: Low IMPACT: Medium MITIGATION MEASURES: All main project stakeholders were involved in the project's proposal planning phase during which their roles and responsibilities have been clarified and agreed upon.

RISK 4: National service providers do not have the capacity to implement or fail to deliver outcomes. PROBABILITY: Low. IMPACT: High MITIGATION MEASURES: The initiative will engage service providers with capacity to deliver, as determined by the feasibility study. The T-SIB will only work in provinces and communities where service providers have strong capacity and where need is highest. Risk is further managed by bond and contract design, sequencing of outcomes, options for outcomes tariffs (repayments to investors)

for intermediate and short-term milestones/outputs achieved.

RISK 5: The T-SIB fails to attract donors as outcome funders to co-finance the T-SIB.

PROBABILITY: Low MITIGATION MEASURES: UN agencies will engage their respective donor networks and the T-SIB will be designed to be highly attractive to donors.

RISK 6: The T-SIB does not attract sufficient private capital. PROBABILITY: Low-medium.

MITIGATION MEASURES: The feasibility study indicates that investors could receive an attractive return of up to 11% per year on their investment plus social/development returns. In addition, the UN agencies involved together will tap into existing investor networks. Finally, the T-SIB builds on the momentum by banks and private companies divesting from tobacco. It partners with Tobacco-Free Portfolios which leads the global divesting advocacy effort, to attract institutional investors.

We assess that implementation of the Joint Programme will not affect our ability to safeguard UN principles and international norms and standards. We also assess that the implementation of the Joint Programme will not pose reputational risks to the UN.

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## **10. Convening the private sector and engaging IFIs/DFIs**

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The UN Agencies involved have a track record in successful developing and attracting private capital into social impact bonds in different development areas. They can therefore leverage their existing investor and financial institutions network for the T-SIB in Zambia. DFIs and IFIs are currently very interested in impact bonds as e.g. EBRD, EIB/EIF and WB are all developing and investing in impact bonds in different countries. Building on the close relationships of UN agencies and IFIs, the T-SIB will include them in the investors' mobilization plan.

The T-SIB will attract private investors, as they will be able to earn an attractive capital return on their investment (in addition to the social returns) at about 11% per annum. The T-SIB initiative is also timely, as it can build on the momentum by banks and private companies divesting from tobacco. The initiative partners with Tobacco-Free Portfolios which leads the global divesting advocacy effort. The T-SIB is unique in that it advances a number of SDGs, which should interest private investors as well as IFIs/DFIs. Finally, local private sector actors will be closely involved in implementation as service providers under the guidance of UN agencies. Their local market expertise will be crucial.

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## **11. Leverage and catalytic function**

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The T-SIB will leverage US\$6 million investment by the SDG Fund to attract additional donors and funds of \$6-8 million as outcome payments. The TSIB will mobilize private investments of at least US\$8 million for the 4-year period. This will leverage government and partner resources to an estimated \$3-5 million in value including national input subsidies to farmers and government work to foster an enabling policy environment, such as the agri-PPP guidelines developed by FAO and African Union, which have been 'domesticated' by the Zambian government and are to be shortly adopted as a policy directive under Zambia's national PPP Act will be used as a platform for leverage and catalytic functions.

Also demonstrable experiences on leveraging resources and co-financing is solid among the UN agencies. UNDP is implementing the green climate fund project Strengthening Climate Resilience of Agricultural livelihoods in Zambia, which is 76% co-financed (\$137

million). This includes leverage stemming from mobilization of additional resources from the Ministry of Agriculture in the form of input subsidies, facilities and extension services. FAO has catalysed follow up funding for projects like the Sustainable Intensification of Smallholder Farming Systems, Forest and Farm Facility climate resilient programme and Climate Smart Agriculture projects totaling approximately \$20 million.

ILO is implementing a project addressing decent work deficits in the tobacco sector in Zambia in line with ILO Integrated Strategy to address decent work deficits in the tobacco sector adopted by the ILOs Governing Body in November 2019; also supporting the Government to develop a specific strategy to be implemented in partnership with workers' and employers' organisations as well farmers organisations in dealing with child labour, occupation safety and health, social dialogue and freedom of association including skills for alternative livelihoods.

WFP is implementing smallholder market access activities under the integrated nutrition and smallholder support programme and the Strengthening Climate Resilience of Agricultural Livelihoods programme, funded by Swedish International Development Agency and Green climate fund respectively, in Eastern, Southern, Central and Western province in Zambia. In these programme, WFP develops and strengthens aggregation units and technology use to streamline rural supply chains and bring formal markets closer to smallholder farmers, to improve their incomes and diversify their livelihood.

The T-SIB, if successful will evolve into a financing facility that can attract and manage investments to scale regionally and reach a significant portion of 1.5million farmers. this could attract an additional \$40 million by 2028 and 100,000farmers.

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## 12. Technical support and seed funding

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We expect that the Joint Programme would need around 50,000 USD to hire a consultant to work with the UN Agencies, Government, CSOs, potential Beneficiaries and other stakeholders to prepare a detailed Joint Programme Document during 2020 and raise the remaining capital requirement from bi- and multi-lateral donors, UN agencies, development banks, philanthropies, and the private sector.

## Signatures

Signed Signature Form

[Signature page-T-SIB.pdf](#) 155.27 KB

## Government Endorsement

Letter of Endorsement

[Government Endorsement.pdf](#) 851.99 KB