



## ZAMBIA AGRIBUSINESS AND TRADE PROJECT II (ZATP II)

### About ZATP II

The Zambia Agribusiness and Trade Project II (ZATP II) is a joint initiative of the Government of Zambia (GRZ) under the Ministry of Commerce, Trade and Industry (MCTI) and the World Bank Group aimed to contribute to increased access to markets, finance and promote agribusiness firm growth in Zambia. With a duration of five (5) years (2024-2028), ZATP II is a scale up project aimed to build on the successes of the Zambia Agribusiness and Trade Project (ZATP) implemented from 2017 to 2024 by GRZ through the MCTI with support from the World Bank Group. While ZATP covered 5 provinces (Central, Copperbelt, Eastern, Lusaka and Southern), ZATP II's coverage is national in all the ten (10) provinces of Zambia. With a total budget of US\$170.00 Million, the Project is anchored on three mutually reinforcing Components: 1) Support access to markets and finance; 2) Promote Trade and Agribusiness Competitiveness; and 3) Project Management.

### Institutional Arrangements

The Ministry of Commerce, Trade and Industry (MCTI) is responsible for the overall coordination and implementation of the ZATP II through the Department of Planning and Information (DPI). MCTI is also responsible for administrative issues and decisions of a policy nature that relate to ZATP II. The Permanent Secretary, Technical Investment is the Controlling Officer. As the implementing Ministry for the ZATP II, the MCTI, hosts the PIU under the Department of Planning and Information. ZATP II has a two-tier governance structure comprising of a Project Steering

Committee (PSC) and the Technical Working Group (TWG) supported by the PIU as the Secretariat. The Project also has Provincial Productive Alliance Coordinating Committees at the provincial level in all the 10 provinces to help coordinate support to producer organisations and agribusiness firms. The structure also includes Investment Committee Panel (ICP), Proposal Evaluation Panel (PEP) and an Independent Evaluation Panel (IEP) to support the implementation of Component 1 on supporting access to markets and finance.

### Key Trade and Industry Partners for ZATP II

Zambia Compulsory Standards Agency (ZCSA), Plant Quarantine and Phytosanitary Service (PQPS), Ministry of Health (MoH), National Livestock Epidemiology and Information Centre (NALEIC), Zambia Medicines Regulatory Authority (ZMRA), Zambia Metrology Agency (ZMA), Zambia Bureau of Standards (ZABS), Zambia Revenue Authority (ZRA), Zambia Medicines

and Medical Supplies Agency (ZMMSA), Business Regulatory Review Agency (BRRA), Zambia Development Agency (ZDA), Zambia Environmental Management Agency (ZEMA) and other institutions relevant to the Trade and Agribusiness agenda in Zambia.



## COMPONENT 1: SUPPORT ACCESS TO MARKETS AND FINANCE

This Component aims to address challenges related to market linkages, access to finance, capacity building, climate mitigation and adaptation, value addition, profitability, growth, and eventually resilience of farmers and businesses in Zambia. This component directly supports two sets of beneficiaries: small and marginal farmers who are associated through Cooperatives or Producer Organizations (POs) and high growth agribusinesses (Firms).

To achieve this, Component 1 (Support access to Markets and Finance) has three Subcomponents:

- **Subcomponent 1** (a) MarketConnect;
- **Subcomponent 1** (b) Productive Alliances;
- **Subcomponent 1** (c) Line of Credit (LoC).

## COMPONENT 2: PROMOTE TRADE AND AGRIBUSINESS COMPETITIVENESS

### Objective

The objective of this component is to enable the key stakeholders in Zambia's agribusiness sector and those benefiting from Component 1 to take advantage of an enhanced business environment and opportunities emerging from the African Continental Free Trade Area (AfCFTA).

This component seeks to improve the trade pathways, quality infrastructure, and business enabling environment i.e. meso-level sectoral activities critical for firms and farmers and in line with AfCFTA protocols ratified by Zambia. Special focus would be placed on small agribusiness enterprises and women traders to ensure that the project addresses key constraints and barriers they face to grow and trade which includes:

- Lack of information and requirements on export trade procedures.
- Customs and bureaucratic procedures that are making it difficult for the majority of traders and private firms to undertake cross border business.

- Regulatory systems not supportive to small enterprises and traders' business growth.
- Finance and payment mechanisms
- Product and Price Barriers – Agribusiness firms struggle to export most of their products due to product quality, lack of understanding on specification's in the international markets and how to address them.
- Non-tariff barriers including Sanitary and Phyto-Sanitary issues (SPS).
- Transportation: costs, frequency, and insecurity; inadequate logistics.
- Lack of planning and organization at firm and trader level.
- Inadequate R&D activities; and
- Inadequate export marketing activities.

Unlocking these bottlenecks presents a huge opportunity in promoting trade, agribusiness competitiveness and growth which will ultimately create jobs for the country.

### Interventions Under Component 2

Interventions would focus on Micro, Small, Medium Enterprises (MSMEs) and women traders and also streamlining procedures that reduce post-harvest losses for perishables thereby fostering climate adaptation. Component 2 is aligned to the Global Challenge Research Fund (GCRF) Pillars 1 (Responding to Food Insecurity- through reduced food losses, increased market access) and Pillar 2 (Protecting people and preserving Jobs) and will comprise of the following activities:

- (i) **Implementing trade commitments:** ZATP-II will support implementation of global (World Trade Organization [WTO]), continental (AfCFTA), and regional (corridor specific) commitments and domestic regulations. Three specific focus areas are:
  - (a) implementing Zambia's AfCFTA strategy and action plan including developing capacities required within MCTI;
  - (b) supporting the National Trade Facilitation Committee and Corridor committees; and
  - (c) improving the technical regulations regime by strengthening the Technical Regulations Department.
- (ii) **Improving trade efficiency:** Support would be provided through MCTI to Zambia's trade agencies to implement an automated, coordinated and risk-

based approach to trade in goods. This would include:

- (a) Coordinated Border Management (CBM);
- (b) Risk Management; and
- (c) trade agency automation that would include:
  - ICT systems for Zambia’s key trade agencies aiming to connect to the single window for back-end processing for approvals, registrations, licensing, inspection, sampling, fee collection, tracking and tracing, lab sampling and Phyto. Systems deployed would utilize climate friendly equipment to the extent possible; and
  - Wide area network connectivity at HQ for connection to the national single window and at selected borders to connect to ASYCUDA World.

**(iii) Strengthen Business Regulation, Investment Promotion, NQI and SPS capacities and facilities:**

The project will enhance the capacities and facilities for Zambia’s key business regulations, investment promotion agencies as well as trade related agencies involved in agricultural trade to reduce the burden of business compliance, attract, retain and service investments, increase exports and strengthen the



development of agribusiness value chains. Specifically, it would support:

- (i) capacity building of business regulatory and investment policy and promotion agencies;
- (ii) repurposing or refurbishing diagnostic facilities in Lusaka and rendering them efficient and climate resilient;
- (iii) setting up of a national accreditation body and laboratory accreditation for selected testing at ZCSA and other selected agencies;
- (iv) equipment and supplies to support inspection and sampling including those that are energy efficient and climate resilient; and
- (v) enabling Zambia’s trade agencies to expand stakeholder engagement, consultation and awareness for women and MSMEs including the establishment of joint resource centers.

### COMPONENT 3: PROJECT MANAGEMENT

This Component focuses on Project Management to ensure effective implementation of project activities, including Monitoring & Evaluation (M&E) of project implementation progress. With an allocation of US\$14.0 Million, Component 3 builds on implementation experience of ZATP, relying on the existing ZATP Project Implementation Unit (PIU) and MCTI Directorate of Planning and Information (DPI) for project administration and coordination respectively. The Component supports the:

- i) operations of the PIU;
- (ii) implementation of the Stakeholder Engagement Plan and feedback mechanism to inform project implementation,
- (iii) implementation of the project’s Grievance Redress Mechanism and
- iv) strengthening M&E System of ZATP to account for national level scale-up of ZATP II Project and additional sub-components being introduced on top of existing ZATP interventions.

**Table 1: ZATP II Budget Summary by Component**

COMPONENT	TOTAL (USD Million)
<b>Component 1: Support access to markets and finance</b>	<b>102.00</b>
<i>Subcomponent 1. a. MarketConnect</i>	20.00
<i>Subcomponent 1. b. Productive Alliances</i>	52.00
<i>Subcomponent 1. c. Line of Credit</i>	30.00
<b>Component 2: Promote Trade and Agribusiness Competitiveness</b>	<b>54.00</b>
<b>Component 3: Project Management</b>	<b>14.00</b>
<b>TOTAL</b>	<b>170.00</b>

## TARGET BENEFICIARIES

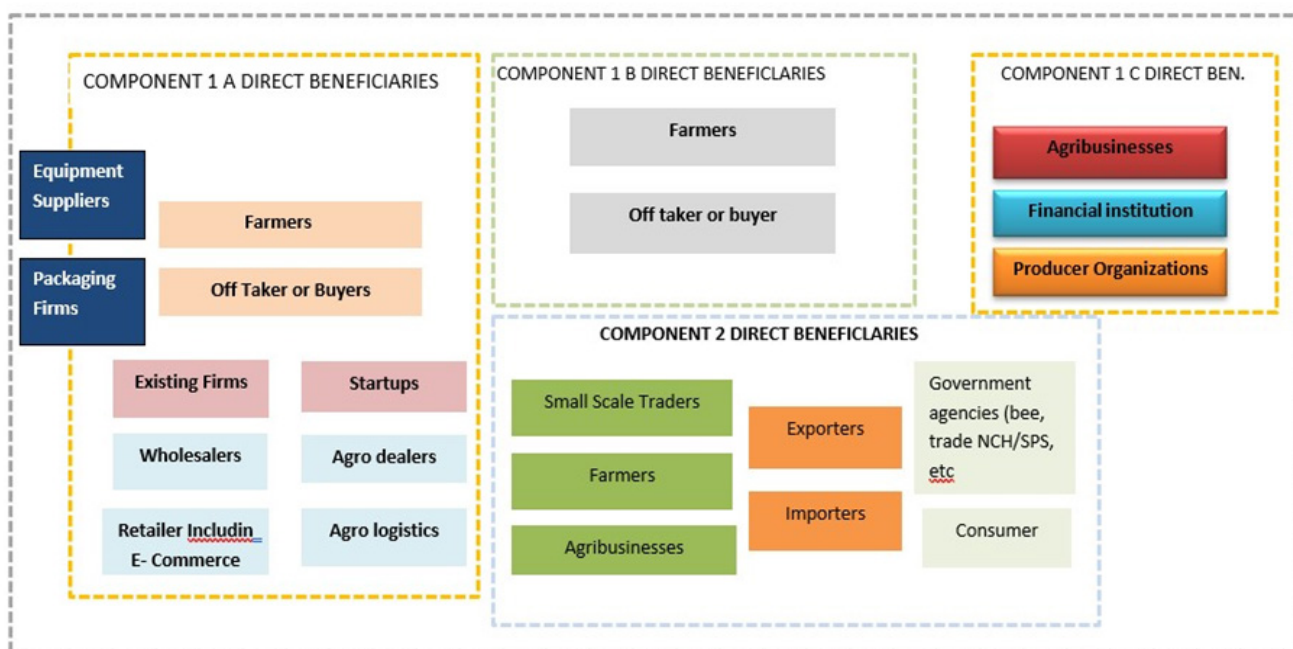
The project targets 133,500 beneficiaries (nearly 10 percent of eligible population) through its interventions across all the ten provinces of Zambia. The project targets to benefit value chain actors at various levels including small and marginal farmers engaged in agriculture value chains.

<b>Value Chain Actors</b>	farmers, farm and off-farm workers, input manufacturers, distributors, equipment suppliers, agro-dealers, aggregators, off takers, agro-processors, manufacturers, logistics and warehousing service providers, AgriTech firms including start-ups, wholesalers, retailers, distributors, e-commerce firms, and exporters operating along the value chains.
<b>Agriculture Value Chains</b>	Cereals; Pulses, Tuber crops, Horticulture (Fruits, Vegetables, Plantations, Spices, Floriculture, and so on); Other cash crops and Plantation; Animal Husbandry, Apiculture, Food processing/value addition and allied services (Agro-logistics, Agri advisory services, etc).

Business Development Services (BDS) under MarketConnect targets to support a total of 3,150 beneficiaries: 1,750 growth-oriented agribusinesses and 1,400 POs. Of these 1,400 POs, 900 are expected to graduate to the Productive Alliance subcomponent. A total of 12,550 new full time jobs are expected to be created through multiple pathways.

### Gender Equality, Disability and Social Inclusion

To increase the participation of women, youth and persons with disabilities in economic opportunities and to enable ownership and control of productive assets, ZATP II will provide technical and financial support to enterprises owned or led by these segments. The beneficiary selection criteria will lay special emphasis in favor of these groups. Apart from measures that promote active participation of women, youth, and persons with disabilities, preferential access will be given to these segments in project beneficiary selection.



### For more details Contact:

**Project Implementation Unit**, Ministry of Commerce, Trade & Industry, Zambia Agribusiness and Trade Project II  
 Kptf Office Park, Stand 4604, Corner of Church and Tito Road, Lusaka Zambia, Email: [info@zatp.org.zm](mailto:info@zatp.org.zm)  
[www.zatp.org.zm](http://www.zatp.org.zm)



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